



Annual Report 2025–26





PROGRESS *in* EVERY HAND

At Arohan Financial Services Limited, progress is not measured only in numbers, but in the lives, livelihoods, and aspirations of the people we serve. As a technology-enabled NBFC-MFI and a part of the Aavishkaar Group, our journey has always been guided by an entrepreneurship-led approach to development — enabling individuals to build, sustain, and grow their own economic futures. The theme of this year’s Annual Report, **“Progress in Every Hand,”** reflects this belief.

Across India, millions of working hands drive the informal economy. Be it sewing, farming, cooking, crafting or trading. These hands represent resilience, enterprise, and untapped potential. Our role is to reach these hands with timely credit, thoughtful support, and responsible financial services that help livelihoods grow steadily and sustainably.

This report presents a narrative that goes beyond performance metrics. It traces a journey from **working hands** that power local economies, to **helping hands** that extend financial access and guidance, to **growing hands** supported by strong systems, processes, and people, and ultimately to **empowered hands** managing thriving enterprises with confidence.

Through this year’s Annual Report **FY 2026**, readers will see how Arohan’s business model, operational discipline, and people practices come together to create meaningful impact at scale.

“Progress in Every Hand” is not just a theme - it is a reflection of how we see development: **personal, practical, and powered by people.**

This document contains statements about expected future events, and financial and operating results of Arohan Financial Services Limited (“Arohan”/“Company”), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of Arohan’s Annual Report, FY 2026. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Further, Arohan cannot guarantee that these forward-looking statements will be realised, although the Company believes that it has been prudent in its assumptions.





GROWTH *in* EVERY HAND

VALUE FOR EVERY STAKEHOLDER



At Arohan, progress is meaningful only when it reaches every hand we touch. Our approach to value creation goes beyond financial performance to enable holistic growth for all stakeholders — customers, employees, shareholders, and the environment. Guided by this belief, **we continue to build an ecosystem where each stakeholder advances alongside us.**



CUSTOMERS

Enabling Growth at the Grassroots

Arohan remains deeply committed to understanding and addressing the evolving needs of its customers through innovative solutions and dependable service. By nurturing relationships founded on trust and integrity, we enable our customers to grow their livelihoods and achieve greater financial resilience — creating a cycle of shared progress and long-term prosperity.

This commitment to customer-centric excellence is reflected in our continued recognition as the highest-rated MFI 1 by CARE Edge Analytics & Advisory for FY 2026.



EMPLOYEES

Empowering Every Individual to Grow

Our employees are the hands that drive Arohan's journey forward. We foster a culture of inclusivity, respect, and continuous learning, where every individual is encouraged to realise their full potential. Through focused investments in capability building, career development, and a supportive workplace, we ensure that our people grow as Arohan grows.

Our people-first philosophy earned us a place among India's Top 100 Best Companies to Work For, ranking 35th, and recognition as the Best Workplace in the Microfinance Industry for 2024 by the Great Place to Work® Institute.



SHAREHOLDERS

Strengthening Value through Sterdy Growth

Arohan remains committed to delivering sustainable returns through prudent risk management, transparency, and strong governance practices. Our consistent financial performance and disciplined approach ensure that shareholder value grows steadily over time.

In FY 2026, we retained our credit ratings 'A (Stable)' by ICRA and 'A-(Stable)' by Care reaffirming our financial resilience and long-term stability.



ENVIRONMENT

Growing Responsibly with the Communities we Serve

We recognise that true progress must be environmentally responsible. Arohan actively works to reduce its carbon footprint and promote sustainable practices across operations. Alongside this, we undertake community initiatives aimed at improving awareness, well-being, and environmental stewardship in the regions we operate.

These efforts reflect our commitment to ensuring that growth today does not come at the cost of tomorrow.





KEY PERFORMANCE

Information provided is as of, and for the Financial Year ended March 31, 2026.

Indicators

SOLVENCY & LIQUIDITY

NETWORTH
INR 2,158 Cr

CAPITAL ADEQUACY RATIO
27.61%

FUNDS DRAWN
INR 5,564 Cr

CASH & CASH EQ.
INR 730 Cr
(INCLUDES CASH AND CASH
EQUIVALENT, BANK BALANCES AND
MUTUAL FUNDS)

EFFICIENCY RATIOS

CREDIT RATING*
ICRA A (STABLE OUTLOOK)
CARE A- (STABLE OUTLOOK)

OPEX
9.02%

FEE INCOME (as a
% age of total income)
6.15%

AROHAN PRIVILEGE

NUMBER OF CUSTOMERS
41,552

PORTFOLIO
INR 175.25 Cr

IMPACT NUMBERS

STATES
16

DISTRICTS
318

CUSTOMER STRENGTH
19.8 Lakh

DISBURSEMENT FOR FY 2026
INR 7,063 Cr

**ASSET UNDER
MANAGEMENT**
INR 7,426 Cr

BRANCH

NO. OF BRANCHES
1,069

RURAL BRANCH PERCENTAGE
64%

SEMI URBAN BRANCH PERCENTAGE
16%

EMPLOYEES

NO. OF EMPLOYEES
9,654

FIELD EMPLOYEE PERCENTAGE
91.70%

BORROWER'S DEMOGRAPHY

RURAL
73%

SEMI URBAN
11%

URBAN
16%

WOMEN
98.39%

*All facilities are rated by ICRA A (Stable), while one facility is rated by CARE A- (Stable) additionally



KEY HIGHLIGHTS



20 Years of Distinction. One Arohan.

On April 6, twenty years ago, Arohan made its first disbursement, embarking on a journey that has transformed countless lives. This twenty years of perseverance, dedication and growth was celebrated as **—20 Years of Distinction. One Arohan.**

The celebration took place in April 2026, across 42 locations on the same day, along with a special celebration at the corporate level. The 20-year milestone was not only a celebration of achievements, but also a moment to reaffirm Arohan's Vision 2030 — **impacting 20 million lives by 2030.**

The FY 2026 stood out as a landmark year in Arohan's journey, marked by record portfolio growth, strengthened asset quality, and continued recognition across industry platforms. The organisation received multiple awards and certifications acknowledging operational resilience, customer-centric practices, and people development. Participation in key industry forums, stakeholder events, and knowledge platforms further reinforced Arohan's position as a responsible and progressive leader in the microfinance sector. Together, the milestones of the year and the celebrations of two decades reflect not just how far Arohan has come, but the strong foundation it continues to build for the future.

AWARDS & RECOGNITIONS



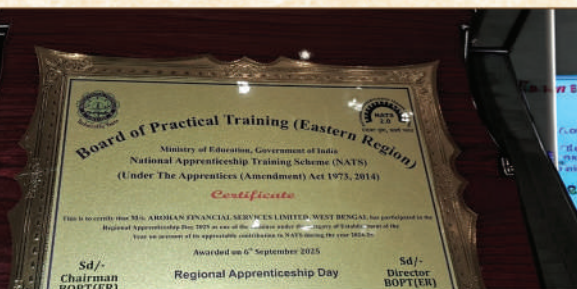
Recognised at the CRIF Data Excellence Awards as 'Promising – Data Quality Improvement (MFI)'



Recognised at The Eastern India Leadership Awards, 2025 as "Organisation with Innovative CSR Practices"



Recognised for our contribution to the National Apprenticeship Training Scheme (NATS) by the Board of Practical Training (Eastern Region)



RATINGS & GRADINGS



Arohan's Information Security Management System gets re-certified with ISO/IEC 27001:2022 by BS



Arohan Financial Services Limited Secures Re-Issuance of ISO 9001:2015 Certification from BSI



Arohan awarded at top-notch MFI 1 grade, by CareEdge Advisory. Arohan received Code of Conduct Assessment (COCA) score of C1 grading from CARE Edge Analytics and Advisory.

EVENTS



Mr. Manojkumar N Nambiar participated in Chintan Workshop at the AMFI-WB Training Centre



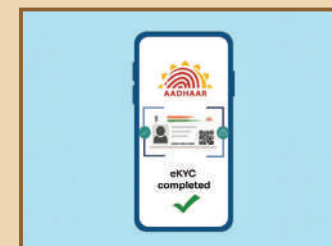
"Microfinance as key engine of financial inclusion: How it can be made a strong pillar of Viksit Bharat" - Authored article by Mr. Manoj Kumar Nambiar for The Economic Times



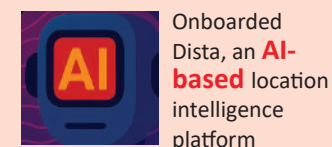
Mr. Manojkumar N Nambiar attended Manthan, a microfinance conclave by MFIN



Arohan released its first Sustainability (ESG) Report, available on our official website



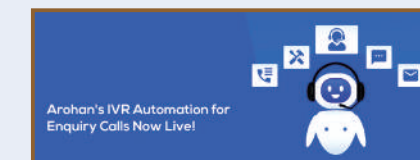
Arohan successfully completed the e-KYC rollout across the entire organisation



Onboarded Dista, an AI-based location intelligence platform



Started operations in Tamil Nadu with the opening of a regional office in Tiruchirappalli



Arohan implemented IVR automation for enquiry / inbound calls on its toll-free number.



Mr. Manojkumar N Nambiar attends the NBFC Symposium 2025 with Finance Minister of India



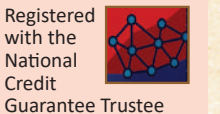
Mr. Manojkumar N Nambiar at the launch of the 5th edition of Micro Matters Macro View FY 2024-25



Launch of Arohan's Upgraded AI-Powered Assistant in its Business Intelligence Dashboard



Arohan website was made available in 12 Indian languages



Registered with the National Credit Guarantee Trustee Company to avail credit guarantee coverage under Credit Guarantee Fund for Micro Units



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CHAIRMAN'S

Address



DINESH KUMAR MITTAL
Chairman
Board of Directors

Dear Shareholders, Partners and Colleagues

It is my immense privilege and honour to present the Annual Report of Arohan Financial Services Limited for this remarkable financial year. Over the past year, the global and domestic economic environment continued to evolve rapidly, creating new opportunities alongside emerging challenges. Amid this dynamic landscape, Arohan remained unwavering in its commitment to advancing financial inclusion and empowering underserved communities across India. Guided by our strong values, customer-first philosophy, and long-term vision, we continued to strengthen our position as a trusted and purpose-driven financial institution dedicated to creating sustainable impact.

This year has been a testament to Arohan's resilience, adaptability, and relentless pursuit of excellence. Through disciplined execution, prudent risk management, and a sharp focus on customer centric growth, we successfully navigated the changing environment while continuing to deliver long-term value for all stakeholders. At the same time, we accelerated our investments in technology, innovation, and digital transformation to enhance operational efficiency, strengthen governance, and deliver a seamless customer experience. These initiatives are helping us build a stronger, smarter, and future-ready organization capable of driving sustainable growth in an increasingly digital world.

At the heart of our progress lies the unwavering trust and confidence placed in us by our customers, employees, business partners, lenders, investors, and shareholders. Their

continued support has been instrumental in strengthening the foundation of Arohan and inspiring us to continuously raise the bar. As we move forward, we remain deeply committed to building an inclusive, resilient, and high-impact institution that contributes meaningfully to financial empowerment, economic development, and social progress across the country.

The global economy in 2026 continues to demonstrate resilience despite macroeconomic uncertainties, geopolitical developments, supply chain realignments and fluctuations in energy markets. Encouragingly, easing inflationary pressures, sustained infrastructure investments, and supportive fiscal and monetary policies across major economies are creating a more stable and constructive global outlook. These developments are opening up significant opportunities for emerging markets and strengthening the foundation for long-term economic growth and innovation.

India continues to stand out as one of the world's fastest growing major economies, driven by robust domestic demand, strong public and private investments, expanding digital infrastructure, and improving rural consumption. The country's strong economic fundamentals, reform momentum, and entrepreneurial energy continue to position India as a global growth engine. Inflation is also gradually aligning with the Reserve Bank of India's long-term target range, reflecting sound macroeconomic management and policy stability.

While challenges such as energy dependence, regional disparities, and sector-specific stress continue to require careful attention, we view them as opportunities for innovation, disciplined execution, and strategic transformation. At Arohan, responsible growth, sound governance, portfolio quality, and customer trust remain central to our operating philosophy and long-term strategy.

Financial inclusion continues to play a transformative role in India's development journey. Over the last decade, initiatives such as JAM Trinity - Jan Dhan, Aadhaar, and widespread mobile connectivity have revolutionized access to formal financial services and brought millions into the financial mainstream. Today, the focus is evolving beyond access toward building deeper engagement, financial resilience, and sustainable empowerment for underserved communities. Technology and digital public infrastructure are expected to play a defining role in accelerating this next phase of inclusion.

Artificial Intelligence is emerging as a powerful catalyst in reshaping the future of inclusive finance. Across the financial ecosystem, AI-driven technologies are enabling institutions to improve efficiency, strengthen risk management, and deliver more personalized and responsive customer experiences. One of the most significant applications of AI lies in credit assessment, where advanced analytics and machine learning models are enabling lenders to evaluate borrowers with limited formal credit histories through alternative data and predictive insights. This is helping expand responsible access to credit while supporting more informed and prudent lending decisions.

India's rapidly evolving digital public infrastructure is also creating exciting new possibilities for seamless and inclusive financial services. Initiatives such as the Unified Lending Interface (ULI) and the Account Aggregator ecosystem are simplifying credit delivery through secure and consent-based data sharing, thereby improving transparency, reducing turnaround times, and enhancing operational efficiency. Additionally, initiatives like Banking BHASHINI are helping bridge linguistic barriers and making digital financial services more accessible across multiple Indian languages, ensuring deeper inclusion across diverse geographies and customer segments.

At Arohan, our journey is guided by a larger social purpose, creating sustainable and meaningful impact at the grassroots level across India. We firmly believe that financial inclusion extends far beyond the provision of credit; it is about empowering individuals, supporting livelihoods, nurturing entrepreneurship, and enabling long-term economic progress. Our approach continues to be rooted in responsible growth, customer empowerment, and inclusive development.

Through our continued efforts, we aim to strengthen financial access, create economic opportunities, and improve the quality of life for millions of underserved families.

Every initiative we undertake reflects our unwavering commitment to building a more inclusive, resilient, and financially empowered society. By combining technology, innovation, and human-centric engagement, we are creating solutions that are not only scalable and efficient but also deeply impactful. Though our continued efforts, we aim to strengthen financial access, create economic opportunities, and improve the quality of life for millions of underserved families.

At Arohan, technology and digital transformation continue to be central to our long-term growth strategy and future readiness. We are consistently investing in strengthening our digital capabilities, modernizing operational processes, and leveraging data-driven insights to enhance operational excellence and deliver a superior customer experience. While we have made significant progress in our digital journey, we also recognize that this is an evolving transformation with immense opportunities ahead.

Our employees continue to remain our greatest strength and the driving force behind our success. Their passion, dedication, and commitment to excellence have played a pivotal role in helping Arohan achieve its goals and deliver value to customers across geographies. I would like to express my heartfelt appreciation to every member of the Arohan family for their hard work, resilience, and unwavering commitment to our mission.

On behalf of the Board of Directors, I would also like to express my sincere gratitude to our Promoters, fellow Board members, investors, lending partners, and regulatory authorities for their invaluable trust, guidance, and continued support. Their confidence in Arohan's vision and long-term strategy has been instrumental in strengthening our institution and enabling us to navigate a dynamic operating environment with resilience and purpose.

Above all, I extend my deepest gratitude to our 2 million customers, whose trust and belief in Arohan inspire us every single day. Their aspirations motivate us to continuously innovate, improve, and expand our efforts toward building a stronger and more inclusive institution. Together, we remain committed to creating sustainable financial value while contributing meaningfully to inclusive growth, social progress, and nation-building.

As we look ahead, we do so with confidence, optimism, and a strong sense of purpose. With a robust foundation, a clear strategic vision, and an unwavering commitment to responsible growth and financial inclusion, Arohan is well-positioned to continue creating lasting impact and delivering sustainable value for all stakeholders. Together, we will continue empowering lives, strengthening communities, and building a brighter and more inclusive future for India.

Dinesh Kumar Mittal
Chairman
Board of Directors



VICE CHAIRMAN'S

Address



VINEET CHANDRA RAI
Vice Chairman
Arohan Financial Services Limited
Founder, Aavishkaar Group

Dear Shareholders,

A year ago, I wrote to you from within the eye of a storm. FY 2025 had tested Arohan in ways that went beyond the commercial - it questioned our values, our integrity, and our resolve. As I reflect on the year now behind us, I do so with a quieter spirit and a steadier hand, grateful that the institution has not only weathered that storm but emerged from it with greater clarity than before.

The world, of course, offers little respite. Geopolitical fault lines continue to widen, and the consequences of climate change grow more visible each passing season - in the floods, the droughts, and the erratic monsoons that fall hardest upon the very communities we serve. Our clients live closest to these disruptions, and yet, year after year, they remain the most resilient stakeholders in our story. It is their determination, and their trust, that reminds us why Arohan exists.

This year, that trust was rewarded with renewal. We restored Arohan to health and to profitability, underpinned by prudent risk management, a healthy capital adequacy, and a balance sheet rebuilt on disciplined foundations. Our asset quality has strengthened considerably, our ratings affirmed with a stable outlook, and we now serve

close to 2 mn borrowers across 16 states - a remarkable share of whom rely on Arohan alone for their access to formal finance. These are not merely numbers; they are the measure of a promise kept.

I have always believed that an institution reveals its true character not in the seasons of plenty, but in the seasons of scrutiny. From our earliest days, Arohan has been built on four pillars - transparency, governance, ethics, and impact. In the past year, these were not abstractions to be admired; they were the armour we wore. We made difficult choices, we leaned on our ethical compass, and we held firm to the conviction that doing what is right is never in conflict with doing what endures.

None of this would have been possible without our people. Over 9,600 colleagues carried Arohan forward through a demanding year, and our leadership team continued to steer the institution with steadiness and skill under the stewardship of our Managing Director, Manoj Nambiar. To each of them, my deepest gratitude.

I remain thankful to the Reserve Bank of India, whose oversight and guidance through a difficult period were invaluable, and to the Microfinance Industry Network,

whose stewardship continues to anchor the credibility of our sector. To our shareholders, who stood with us when the path was uncertain, your belief in our long-term mission has been a source of strength. And to our Chairperson and Independent Directors, whose wisdom and counsel kept us grounded in reality and focused on the horizon, I owe a particular debt.

In 2001, we set out with a simple conviction: that entrepreneurship could help solve the most complex problems of our society. Today, everything we do at the Aavishkaar Group still centres on that belief, and Arohan, serving millions at the very last mile, remains among its most powerful expressions.

As we look ahead, we do so with quiet confidence. We are prepared not only to navigate the risks that lie before us, but to seize the opportunities that will rise in their wake. We reaffirm our commitment to building an institution that is resilient, responsible, and relentlessly focused on creating lasting impact.

Thank you for your continued trust and partnership.

Warm regards,

Vineet Chandra Rai

Vice Chairman, Board of Directors
Founder, Aavishkaar Group



Aavishkaar Group looks to balance long-cycle carbon

Aavishkaar has got 300 million soft commitments from global investors looking for carbon credits, says Vineet Chandra Rai, Vice Chairman of Arohan Financial Services Limited. The firm's focus is on long-cycle carbon credits, which are typically generated through investments in renewable energy, forestry, and other sustainable practices. The firm's focus is on long-cycle carbon credits, which are typically generated through investments in renewable energy, forestry, and other sustainable practices. The firm's focus is on long-cycle carbon credits, which are typically generated through investments in renewable energy, forestry, and other sustainable practices.





MANAGING DIRECTOR'S *Address*



MANOJKUMAR N NAMBIAR
Managing Director

Greetings,

It's my privilege to connect with all of you once again through the FY 2026 Annual Report of Arohan Financial Services Limited.

The year 2025-26 has been a very eventful one for us at Arohan – we completed 20 years of operation as a microfinance lender, ensured an increasing coverage of the portfolio under Credit Guarantee, while filing a DRHP for a possible listing, and achieving our highest ever portfolio outstanding with one of the best GNPA & NNPA in the sector as of March 2026 ending.



Arohan as of March 2026:

Particulars	As of March 2026
Portfolio Outstanding	INR 7,426 Cr
Borrowers	~ 2 million
Branches	1,069
Districts	318
Operational States	16
Revenue	INR 1,552 Cr
TCI	INR 122 Cr
Net Worth	INR 2,158
CAR	27.61%
GNPA	1.13%
NNPA	0.21%
Rating	ICRA A (Stable Outlook) CARE A- (Stable Outlook)
Grading	MF1

Following a difficult year for the microfinance sector in FY 2024-25, FY 2025-26 also began on a challenging note. Elevated slippages from regular accounts into delinquency, the intensive effort required to manage the 1-90 DPD buckets, and the focus on recoveries in the 90+ DPD portfolio left limited room for fresh business sourcing

and disbursements. The sector stood at an outstanding portfolio of INR 3.75 lakh Cr, serving 78 mn borrowers as of March 2025. After witnessing a further contraction during the initial months of the year, it closed March 2026 with an outstanding portfolio of INR 3.25 lakh Cr, covering 64 mn borrowers.

The first green shoots of recovery was noticed in September 2025 with the slippages moderating and disbursements picking up. This inflection was supported by a combination of factors, including GST rationalisation measures announced by the Union Government, a favourable harvest season, festive demand-led economic activity and the disciplined implementation of Self-Regulatory Organisation (SRO) guardrails across the industry. Encouragingly, these early green shoots strengthened through Q3 and Q4 of the financial year, translating into improved collection efficiencies, healthier portfolio performance, and a steady revival in disbursement activity across the sector.

Against the backdrop of a challenging operating environment, our Business team remained steadfast in its focus on portfolio quality throughout the year, particularly during the difficult first half. As market conditions gradually improved, both our growth engines - Organic and Inorganic - gained significant momentum in the second half of the year. This resurgence culminated in our highest-ever monthly disbursement of INR 1,126 Cr in March 2026, helping us achieve a record net portfolio outstanding of INR 7,426 Cr as of year-end.

A key contributor to this growth was our continued focus on deepening relationships with existing customers. Close to 40% of our borrowers continue to bank exclusively with us, and tailored offerings such as Arohan Khaas have played an important role in both strengthening customer engagement and expanding our portfolio while helping protect these customers from overleveraging. Customer discipline and engagement also improved through our sustained emphasis on centre attendance. Supported by Sahbhaagi, our customer loyalty programme, centre attendance levels reached 60% at the Company level by March 2026, with top performing locations reaching over 90%. Our strategy of serving customers across different stages of their financial journey continued to deliver results. Focused efforts on ArohanPrivilege (AP) for seasoned microfinance borrowers and Micro Enterprise Loans (MEL) for emerging entrepreneurs enabled us to tap new customer segments and diversify our portfolio.

As of March 2026, AP and MEL portfolios stood close to INR 200 Cr and INR 300 Cr respectively.

The Inorganic Business vertical also recorded a strong year, scaling to an outstanding portfolio of nearly INR 1,000 Cr with business written across term loans, Sourcing & collection and also Direct Assignment purchases, given our finer understanding of the business metrics as a lender ourselves.

Our focus on strengthening and future-proofing our technology platform continues. Today, all our branches are enabled for Aadhaar-based e-KYC, providing a secure and reliable borrower authentication process. Artificial Intelligence (AI) is fast becoming a key theme in most businesses and we are happy to have started early – our Recovery vertical has been using AI for better coverage for results and our Customer Grievance Redressal Centre is now working to implement an AI solution which will help address the calls we receive from borrowers outside office hours even on holidays and also automate surveys with Arohi, our in-house bot. Our Business Analytics team has developed an AI voice-enabled bot which makes data available to business managers by voice commands. We are also piloting a new end-to-end Loan Origination System for our MEL business, strengthening our technology backbone to support the continued growth of this strategic segment.

Our commitment to quality is reinforced by the strong partnership between our Risk, Credit, and Internal Audit teams. Working closely with the Business, these functions continuously analyse portfolio and operational trends, providing timely insights and actionable feedback to strengthen controls, address emerging risks, and enhance execution at the ground level. Risk is tasked with managing the risk limits set by the Risk Committee of the board which covers credit, operating, liquidity and reputational amongst others. Credit manages the underwriting policies across organic and the inorganic businesses including the credit administration process on a day to day basis. We have enlisted with NCGTC and today have CGFMU credit guarantee cover for more than 65% of our portfolio as of March 2026. Internal Audit helps us do an objective assessment of the adherence to operating policies across the field and non-field functions and also highlights control gaps to be covered. Every quarter, all our 1,050+ branches undergo risk grading, credit classification, and audit rating assessments. This comprehensive and rigorous review framework provides



a dynamic, real-time view of the health of our business, enabling timely interventions and informed decision-making across the network.

Our close interactions with the RBI have helped us update the renewal loan & credit life cover process and also the microfinance pricing model from a viability and sustainability perspective. Arohan is probably the first in the microfinance sector to implement a risk-based pricing approach with a very attractive lowest rate of just 19.99% for the best and 24.24% for a new-to-credit borrower – this was possible as we launched the updated Nirnay 2.0, our own proprietary credit scoring model. We went through a full RBI Inspection in July-August 2025 resulting in a decent assessment and valuable suggestions for improvement on process & compliance. The RBI move to change the Qualifying/Non-Qualifying assets ratio to 60/40 is a welcome step and this will enable many MFIs like us to explore secured lending as part of the business model.

The HR function played a key role in ensuring capacitisation across the year on field and non-field staff. The Performance Management focus with Performance Improvement Plans, half-yearly appraisals, updating the grading-banding levels, compensation benchmarking studies and also an employee satisfaction survey have been key elements of focus during the year. We have made positive progress on our diversity levels to 13.69% as of March 2026. Learning & Development remains to be a critical part of the new employee induction, productivity improvement plans, skill gap analyses across levels and functions and also capacity building efforts. Our L&D function has introduced a short learning-snippet initiative to reach out to the field officers in a form and media they feel comfortable in.

We are proud to be recognised as one of the most active employers in Eastern India in partnering with BOPTEP under the Government's Apprenticeship Programme, reflecting our commitment to developing future talent and creating meaningful employment opportunities. Our Administration team plays a critical role in ensuring a safe, healthy, and efficient workplace for employees while driving cost optimisation across our network of 1,100+ locations, including our Head Office in Kolkata. Complementing these efforts, initiatives like the "Arohan Swachh Abhiyaan" promotes a culture of hygiene, cleanliness, and workplace pride by recognising and rewarding branches that demonstrate exemplary

standards.

The past year was marked by tight liquidity and constrained debt availability across the microfinance sector. Despite these challenges, we remained well-funded throughout the year, securing the resources required for growth at competitive rates. Our borrowing mix evolved in line with market conditions, with increased participation from private sector banks and structured financing solutions from NBFCs, particularly to support non-qualifying assets. Recognising the sector's critical role in extending formal credit to underserved communities, the Union Government introduced a INR 20,000 crore Credit Guarantee Scheme in Mar'26 to facilitate bank lending to MFIs, with dedicated provisions for small and medium-sized institutions. We intend to leverage this initiative both to establish new lender relationships and deepen existing partnerships, thereby further diversifying and strengthening our liability franchise. Another significant development during the year was the progress made on overseas funding avenues, including engagements with international lenders for Non-Convertible Debentures (NCDs) and External Commercial Borrowings (ECBs), which will help broaden our funding base and support future growth.

We are delighted to have been re-viewed on our Quality certifications – ISO 9001 and ISO 27001 for our Internal Audit and IT platform from BSI, India. Our Corporate Social Responsibility (CSR) activities works with a dual approach - working closely with Aavishkaar Foundation on entrepreneurship development in eastern Uttar Pradesh and the community level activities spanning health camps, hearing check for new borns, value-based education for school children and disaster relief have been received well on the ground. Since the inception of our CSR journey in 2016, we have positively impacted close to 1 mn beneficiaries. Arohan was recognised at The Eastern India Leadership Awards, 2025 for its Innovative CSR practices. We are fortunate to have investors like FMO & IFU who have supported us with grants to fine-tune our ESG strategy and also work on a Climate Impact document – this helped us publish our second ESG report as of March 2025.

The Strategic Initiatives unit at the Corporate Office continued to play a pivotal role in tracking key performance indicators, driving analytical deep-dives on business issues, and evaluating new growth opportunities while supporting informed decision-making across the

organisation. The Corporate Communications & Public Relations team strengthened both internal and external stakeholder engagement through communication initiatives, amplifying the Company's achievements, strategic priorities, and brand presence.

Our board engaged with the management in a detailed strategy discussion in November 2025 looking at the market trends, financial landscape, opportunities and what we should do build a sustainable and impactful business. This culminated in the new "Vision 2030 – to impact 20 million lives by 2030" which guides us on the way forward.

Arohan Impact:

Particulars	Unit	Arohan's Impact Since Inception
Cumulative Disbursements since inception	INR Bn	473.98
Total accounts disbursed since inception	#	1,40,39,734
Unique lives impacted till date since inception	#	70,58,671
Lives insured through safety-net financial products since inception	#	2,36,59,876
UNFCC certified emission reductions (CERs) generated	tCO2	1,78,437
Employees joined till date since inception	#	46,882
People benefited through a unique income protection plan since inception	#	1,23,46,365
Lives touched through social interventions since inception	#	9,23,604

Building on the progress achieved during FY 2026, the year ahead will be pivotal in advancing our long-term growth ambitions. As part of our efforts to proactively strengthen the Company's net worth and position Arohan for its Vision 2030 aspirations, the Board approved the exploration of a public listing. Accordingly, we successfully filed our Draft Red Herring Prospectus (DRHP) on May 15, 2026, setting in motion the next phase of our evolution as we prepare to access the public capital markets.



I was honoured to be selected as the Chairperson at the Association of Microfinance Institutions, West Bengal (AMFI-WB) last year, one of the oldest MFI associations in one of the biggest markets in the country while I complete my 3rd three-year term on Micro Finance Industry Network (MFIN), the sector SRO's Managing Board in June 2026.

I would like to place our sincere gratitude to the millions of borrowers who have given us a chance to serve them, our investors for their confidence, our promoter group for their belief in the business, our regulator RBI for their support to microfinance, our lenders for the debt leverage they provide, MFIN our active SRO for the sector, our auditors for their work, our esteemed board of directors for their encouragement and last but not the least, thousands of our employees for the passion and hard work in the business.

I am privileged to have been the MD of the company since 2012

Look forward to your continued support,

Warm regards,

Manojkumar N Nambiar
Managing Director



CORPORATE

Information

BOARD OF DIRECTORS

Mr. Dinesh Kumar Mittal

Chairman and Non-Executive Independent Director

Mr. John Arunkumar Diaz

Non-Executive Independent Director

Mr. Ulhas S Deshpande

Non-Executive Independent Director

Mr. Jose J Kattoor

Non-Executive Independent Director

Mr. Kummamuri Narasimha Murthy*

Non-Executive Independent Director

Mr. Vineet Chandra Rai

Vice Chairman and Promoter Nominee Director

Mr. Anurag Agrawal

Promoter Nominee Director

Mr. Wilhelmus Marthinus Maria Van Der Beek

Non-Executive Nominee Director

Mr. Stephen Dongwon Lee***

Non-Executive Nominee Director

Mr. Sri Radha Ramana Saripalli**

Non-Executive Nominee Director

Mr. Nitish Chawla

Non-Executive Nominee Director

Ms. Karina Isabel Alva Alfaro

Non-Executive Nominee Director

Ms. Rupa Rajul Vora

Non-Executive Nominee Director

Mr. Manojkumar N Nambiar

Managing Director

Note:

* The appointment of Mr. Kummamuri Narasimha Murthy was regularised by the shareholder at the Extra-Ordinary General Meeting held on April 22, 2025.

** Mr. Sri Radha Ramana Saripalli was appointed as a Nominee Director on the Board of Directors of the Company with effect from May 23, 2025.

*** Mr. Stephen Dongwon Lee has resigned from his directorship in the Company with effect from May 08, 2026.

MANAGEMENT REPRESENTATIVES

Mr. Manojkumar N Nambiar

Managing Director

Mr. Milind Ramchandra Nare

Deputy Chief Executive Officer and Chief Financial Officer

Mr. Shailesh Kumar

Chief Business Officer

Mr. Anirudh Singh Thakur

Company Secretary and Chief Compliance Officer

Mr. Ranjan Das

Chief Risk Officer

Mr. Abin Mukhopadhyay

Head of Internal Audit and Vigilance

Mr. Arvind Murarka

Chief Information Officer

Ms. Kanchan Banerjee

Head of Human Resources, Training and Development, Administration and CSR

Ms. Sharoni Pal

Head of Credit

Mr. Ketan Agrawal

Deputy Chief Financial Officer

Mr. Vinod Kumar Pandey

Head of Central Operations



REGISTERED AND CORPORATE OFFICE

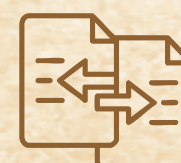
PTI Building, 4th Floor, DP 9, Sector 5,
Salt Lake, Parganas North, Kolkata 700 091
West Bengal, India
Tele: + 91-33-4015-6000
E-mail: compliance@arohan.in
Website: www.arohan.in



STATUTORY AUDITOR

B S R & Co. LLP**Chartered Accountants**

(Registration No-101248W/W-100022)
14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400063



REGISTRAR AND TRANSFER AGENT

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
C-101, Embassy 247
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083, Maharashtra, India



SECRETARIAL AUDITOR

MR & Associates

Company Secretaries

Registration No: P2003WB008000

46, B.B. Ganguly Street, 406,
Kolkata – 700012, West Bengal



CORPORATE IDENTIFICATION NUMBER

U74140WB1991PLC053189



PURPOSE *powering* PROGRESS

Our Mission, Vision and Values

At Arohan, progress begins with people and is sustained through purpose. The collective mindset, actions, and integrity of our teams shape how we respond to an ever-evolving ecosystem and how we deliver meaningful impact on the ground.

Our culture is deeply rooted in our core values, which guide responsible lending, ethical conduct, and inclusive growth. These values empower our leaders and teams to consistently translate intent into action, advancing our Mission and Vision with clarity, commitment, and accountability.

Together, they ensure that progress is not abstract, but visible in every hand we touch, through purpose and commitment.

MISSION

To empower the under-served households by offering a range of financial services, in a manner sustainable for all stakeholders.

VISION

To impact over 20 million lives by 2030.

To be among the Top 3 MFI players, serving nearly 5 mn households and being a preferred place to work for our employees.

CORE VALUES (ETHICS)



EMPLOYEE ENGAGEMENT

Arohan treats its employees as a major stakeholder and hence its processes and systems are designed to ensure employee satisfaction, development and high morale.



TRANSPARENCY

Arohan's products and processes are transparent to its clients such that the information communicated to them is clear, sufficient and timely in a manner and language clients can understand so that clients can make informed decisions. It is also transparent in its communication to, and transactions with all other stakeholders, and employees.



HONESTY AND INTEGRITY

Led by exemplary governance, Arohan maintains high integrity in its delivery, products and processes. Arohan has zero tolerance for unethical practices. It strives to behave with honesty and integrity in all its internal and external communication, and dealings with all stakeholders.



CUSTOMER CENTRICITY

Since customers are considered important stakeholders, Arohan's products and processes are designed keeping customer needs and realities in mind. Arohan strives to serve customer needs in an effective and efficient manner and behave in a dignified and respectful manner with its customers at all times.



INNOVATION

Arohan strives to maintain a creative culture in the organisation, where employees are encouraged to learn and innovate in their day to day work, while adhering to Arohan's standards of business and conduct. Also, product, process and business model innovation are integral to Arohan.



SHAREHOLDER VALUE FOCUS

Arohan recognises its shareholders to be an important stakeholder whose interests it strives to protect, and to whom it seeks to deliver value by focusing on sustainability, profitability and growth of the business.



OUR BUSINESS

Verticals Credit Solutions that Enable Growth at Every Step

In a rapidly evolving economic landscape, Arohan remains focused on identifying opportunities that better serve customers while safeguarding their interests at every step. By continuously strengthening processes, advancing a sustainable lending model, and diversifying its offerings, Arohan ensures that the varied and emerging credit needs of customers are met with care and responsibility.

Anchored in a clear strategic roadmap, our operations are structured around four key business verticals that enable focused growth and deeper outreach. These verticals empower us to deliver innovative, accessible, and customer-centric credit solutions across segments.

Guided by Vision 2030 - to positively impact 20 million lives by 2030, Arohan's diversified approach is designed not just to expand business, but to create meaningful progress in every hand we serve.



TAILORED ORGANIC CREDIT SOLUTIONS

At the core of Arohan's business is our commitment to providing accessible credit to individuals at the bottom half of the socio-economic pyramid. Through our joint liability group model, we offer a range of financial products and services for microfinance customers. The Saral product family—which includes Saral New-to-Credit, Saral Use-to-Credit, and Saral Repeat—caters to diverse borrower profiles with loan sizes ranging from INR 25,000 to INR 1,25,000. With repayment tenures typically between 24 to 30 months, the product line emphasises flexibility and customer-centricity. This evolution of the Saral suite reflects Arohan's broader commitment to financial inclusion with responsibility, supported by robust digital platforms, data-driven insights, and a long-term view of the customer lifecycle.



MFI ALLIANCES FOR BROADER ACCESS

Arohan takes pride in offering a range of solutions to meet the diverse needs of microfinance customers through our MFI Alliances vertical. This includes an innovative alliance-based model, designed to expand access to credit and support the growth of the retail borrowers including microfinance sector. Through this vertical, Arohan extends term loans ranging from INR 1 Cr to INR 100 Cr to smaller MFIs apart from other NBFCs, enabling them to build and scale their microfinance portfolios. Additionally, under the exclusive Sourcing & Collection (S&C) arrangements, partner MFIs establish dedicated branches to source and manage microfinance loans on Arohan's behalf. These loans are booked under Arohan's name and governed by its underwriting standards, ensuring quality and consistency. In return, partner institutions receive a share of the interest collections, creating a mutually beneficial, capital-light model that fosters portfolio expansion without direct capital investment. We also continue to evaluate the purchase of loan portfolios originated by NBFCs through direct assignment and securitisation transactions.



AROHANPRIVILEGE: TECHNOLOGY-BASED LENDING OFFERING

Our ArohanPrivilege platform offers a seamless digital loan experience, designed specifically for our valued customers. Through the ApnaArohan app, customers can seamlessly access loan services, including application and repayment, through a fully technology based and cashless journey. The platform enhances customer convenience by minimising dependency on physical processes, while maintaining robust credit and risk assessment frameworks. Following a hybrid engagement model, both new and existing customers can initiate loan applications digitally, supported by field-level facilitation from our Customer Service Representatives (CSRs). This approach combines the efficiency of technology based processes with on-ground validation, ensuring both convenience and reliability.



ENABLING MICRO-ENTREPRENEURS WITH FLEXIBLE CREDIT SOLUTIONS

Recognising the vital role that micro and small enterprises play in India's economy, Arohan offers tailored credit solutions designed to meet the unique needs of small entrepreneurs. Through its Micro Enterprise Loan Programme, the Company extends loans ranging from INR 50,000 to INR 5 lakhs, providing timely working capital support to help businesses grow and sustain their operations. By closely understanding the challenges faced by micro-entrepreneurs, Arohan delivers flexible, need-based financing that empowers them to strengthen their enterprises and progress with confidence.





PRODUCTS *that enable* PROGRESS *for Every Need*

Our operations are focused on customer centricity, supported by a range of income-generating and financially inclusive offerings aimed at meeting the diverse needs of financially underserved and unserved customers. Our product portfolio comprises core microfinance products, including the Saral loan and micro-enterprise loans ("MEL"), as well as certain secondary, Cross Sell products offered exclusively to our core loan product customers to address their requirements for both financial and non-financial products. These products support livelihood enhancement, working-capital requirements and essential household needs.

Our financial offerings include credit offerings and insurance products, while our non-financial offerings include cross selling of products such as solar lamps, consumer durables, kitchen appliances, bicycles and other household items through partner agencies. These products can also be financed by us through secondary loans for eligible customers. Our credit offerings comprise income-generating loans and loans extended for essential household purposes. Our insurance offerings include life and health insurance products issued and underwritten by certain insurance companies in India, which are distributed by us pursuant to tie-up arrangements with such insurers. In addition to our core organic offerings, we also undertake sourcing and collection arrangements, provide term loans to NBFCs and engage in direct assignment transactions with NBFCs.



CORE PRODUCTS

NAME	CUSTOMER PROFILE	LOAN SIZE	LOAN TENURE
Saral	Catering to women residing in low income areas, generally involved in trade & services.	INR 25,000 – INR 1,25,000	24 - 30 months
Micro Enterprise Loans	Loans to address the working capital needs of small businesses operating out of authorised market places or clusters of shops organised under a trader's association. Includes predominantly male customers.	INR 50,000 - INR 5,00,000	24 - 36 months

SECONDARY PRODUCTS

NAME	MAXIMUM AMOUNT OF LOAN / CREDIT LIMIT / INSURANCE COVERAGE	LOAN TENURE
Cross Sell Loans	Upto value of active Primary Loan Disbursement amount associated with customer, in any given cycle	03-24 months

OTHER PRODUCTS

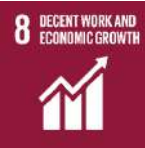
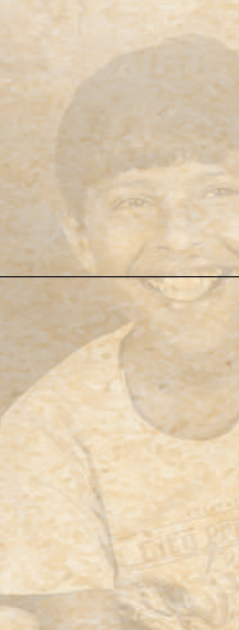
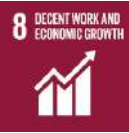
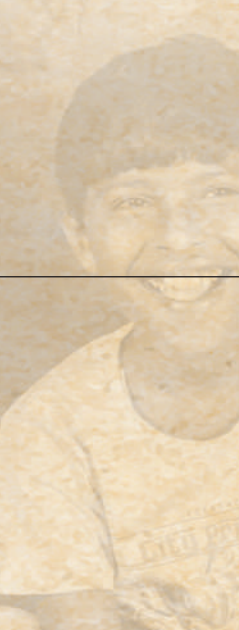
PRODUCT CATEGORY	NAME OF LOAN/PRODUCT	MAXIMUM AMOUNT OF LOAN / CREDIT LIMIT / INSURANCE COVERAGE	TERM (MONTHS/WEEK)
Insurance (offered through tie-ups under corporate agency with certain Indian insurance companies)	Term Life Insurance	Coverage is equal to loan amount disbursed to customer	Loan Term
	Hospicash	INR 1,000 per day for normal hospitalisation up to 30 days and INR 2,000 per day for ICU hospitalisation up to 20 days in a year. Riders include Personal Accident benefit of upto INR 2 Lakh for permanent full and permanent partial disability, Convalescence benefit of INR 2,000 Critical Illness cover of INR 60,000 and Telemedicine cover for 6 family members.	24 months
	Shopkeeper Insurance	There are 3 variants available, each comprising of a specific combination of the below features: • Stock – INR 2,04,500 / INR 3,00,000 / INR 4,09,000 • Content - INR 2,04,500 / INR 3,00,000 / INR 4,09,000 • Burglary – INR 4,09,000 / INR 6,00,000 / INR 8,18,000 • Terrorism - INR 4,09,000 / INR 6,00,000 / INR 8,18,000	12 months
Loans to NBFCs	Term Loans	INR 1 Cr - INR 100 Cr	12 - 36 months

DIFFERENTIATOR SERVICE

NAME	CUSTOMER PROFILE	LOAN SIZE	LOAN TENURE
ArohanPrivilege	Gold Standard Microfinance Customers	INR 20,000 - INR 1,00,000	05 - 30 months



ESG Focus

Input	Business Flow		Output	SDG Linkage
Robust Financial Strength Arohan continues to maintain a strong and profitable financial position, with a Capital Adequacy Ratio of 27.61%. This enables us to secure debt at favorable rates, allowing us to pass on the benefits of lower interest costs to our customers. Our well-capitalized balance sheet also empowers us to invest in ongoing process improvements and optimize our operational structure, ensuring that the benefits are felt all the way through to the end customer. Equity: INR 2,157.78 Cr Debt: INR 5,899.62 Cr	Identifying the right pool of customers in operational geographies		a. CAR: 27.61% b. Revenue: INR 1551.55 Cr c. PAT: INR 122.33 Cr	
	↓			
Transforming Access to Credit Through Technology At Arohan, we harness the power of cutting-edge technology to simplify the credit process, making it easier and more accessible for our eligible customers. Our commitment to innovation ensures that we streamline credit access while never compromising on the quality of our portfolio. By continuously advancing our technological capabilities, we are not only enhancing customer experiences but also setting new standards in the industry, earning recognition on prestigious platforms for our forward-thinking approach.	Nirnay, proprietary credit scoring model, completely paperless sourcing of loans through e-Signature, completely paperless Document Management System, State-of-the-art Customer App, Apna Arohan for enhanced customer delight and experience.		a. Branch: 1,069 b. Customers: 19.8 Lakh c. Recognised for our proprietary, in-house Credit Scoring Model, ‘Nirnay’ d. ISO/IEC 27001:2013 certification by BSI for Arohan’s Information Security and Management Systems e. Few Digitalised, in-house processes: • ‘Sanjaya’ to monitor the field staff activities with geotagging and time stamps. • ‘Audit Management System’ inhouse application that is used by Internal Audit team for audit management. • ‘Adrenalin Max 2.0’ for different HR functions such as attendance, payroll, performance management, recruitment and hiring. • ‘Trackwizz’ for AML related activities. • ‘ApnaBazaar’ for cross-selling products. • ‘Disha’ A search bot enabled for text and voice has been introduced in our dashboard landing page. • ‘Arohan Social’ application to promote employer-employee collaboration to increase connect, productivity and retention. • ‘Dista’ AI-based Field-Force Management Software, and a conversational AI-driven voice bot, named ‘Arohi’ for the Debt Receivable Department	
	↓			
Leveraging Diverse Talent and Nurturing Leadership Driven by a wealth of human capital and deep industry expertise, Arohan thrives on a strong Board and exceptional leadership team. We ensure resilient operational processes while creating meaningful livelihoods at the grassroots level and continuously driving innovation. Our commitment to inclusivity goes beyond the workplace, as we actively foster an environment where diversity thrives. With a goal of achieving a balanced gender ratio of 50:50 by 2030, we are dedicated to developing leadership that reflects the diverse perspectives and talents of our team. Total Headcount: 9,654 Upskilling platforms: Learning Management System, Saksham, Managerial Development Programme, RiseNXT	Training and Financial Literacy of Customers.		a. Percentage of field employees: 91.70% b. Percentage of women in leadership*: 11.11% <i>(*Leadership taken as AVP and above designation)</i>	  
	↓			
Committed to driving service excellence by maintaining an unwavering focus on the customer experience. Through strategic investments in building strong credit and credit-plus relationships, coupled with a strict adherence to regulatory standards, we have cultivated a culture centered around the customer. Our broad range of products and services demonstrates our dedication to excellence, ensuring that delivering a superior customer experience is always our top priority. Total Number of Households impacted: 19.8 Lakh Customer Retention Rate: 70.59% (organic segment)	ArohanPrivilege: Advanced technology-based digital loan sourcing facility that integrates end-to-end customer journey and is designed to serve seasoned credit customers efficiently through a seamless process covering e-KYC for e-signing, cashless disbursals and repayments.		a. Percentage of women customers: 98.39%	 
	↓			
Championing ESG-Driven Value Creation Arohan is deeply dedicated to creating sustainable long-term value driven by core ESG principles, focusing on generating a positive, holistic impact on both society and the environment. By seamlessly combining social responsibility with targeted financial inclusion and credit initiatives, we actively empower underserved households and communities. Promoting a disciplined triple bottom-line framework allows us to harmonize people, planet, and profit—ensuring ethical, resilient operational growth while making deeply meaningful, measurable contributions to the lives of all those we serve.	Cashless Loan Disbursals, through reliable Loan Management System ↓ Digital repayment facilities for our customers using any UPI application. We make use of the Bharat Bill Payment System through tie-ups with PayU Bank, and of Aadhaar Enabled Payment System (“AEPS”) through PayU Payments Private Limited. Customers can also make repayments using their debit cards via [Ezetap Mobile Solutions Private Limited’s “Ezetap” digital payment system.] Customers who are not comfortable with digital payment can pay cash to our CSR alternatively they can also walk down to their nearest Arohan’s partner cash drop points like Airtel Payments Bank Limited, FINO Payments Bank LTD, Spice Money Limited and Nearby Technologies Private Limited’s PayNearby. ↓ Re-engagement with customers and the communities we serve through credit plus services and social initiatives.		a. Number of Clean Energy Product Distribution (Including Retail Distribution): 84,702 b. Through CSR/ Social initiatives Arohan has benefitted 69,249 lives in FY 2026	



LARGE CUSTOMER BASE *and* DIVERSIFIED NETWORK

As of March 31, 2026, **Arohan has 1.98 million active customers** across **16 operating states in India**. Women constitute the primary customer base of our Company, representing more than 98.39% of our total customers as of March 31, 2026, and our lending activities are primarily directed towards supporting their household livelihood and income-generating activities. We also cater to traders and micro, small and medium enterprises (“MSMEs”).

We commenced our microfinance business in 2006 with operations in a single location in Kolkata, West Bengal, and our operations were predominantly focused on the eastern region of India. Over the years, we have prioritised geographic diversification across states in western and southern India and have gradually expanded our footprint into under-penetrated rural and semi-urban areas that present growth opportunities. **As of March 31, 2026, we have a diversified presence across 318 districts, primarily located in rural and semi-urban areas and we operate 1,069 branches, across 16 operating states in India. Of these, 73% of our total branch network, are located in rural areas, while 11% operate in semi-urban areas. The remaining 16% of the network, are located in urban areas.**

Our geographically distributed branch network enables us to deliver financial products and related services directly to customers in underserved and unserved communities, thereby supporting our objective of expanding financial inclusion through last-mile delivery. Our branch-based distribution model is complemented by technology-enabled processes that strengthen loan origination, collections and customer service across regions, enabling us to effectively service our existing customer base and deepen our presence while expanding outreach to new customers.



BOARD OF DIRECTOR'S *Profile*

Dinesh Kumar Mittal



Dinesh Kumar Mittal is the Chairman and Non-Executive Independent Director of our Board. He has been a Director of our Company since May 15, 2018. He holds a master of science (physics) degree from University of Allahabad, Uttar Pradesh.

He joined the Indian Administrative Services in July 1977. Previously, he has served with the Government of India as Secretary – Ministry of Finance, Secretary – Department of Financial Services and the Ministry of Corporate Affairs and as Additional Secretary and Joint Secretary – Department of Commerce. He has also served as the chief executive officer of IL&FS and with the Government of Uttar Pradesh in various capacities including as secretary to the Chief Minister, managing director – Uttar Pradesh Land Development Corporation, vice chairman of the Ghaziabad Development Authority and Special Secretary and Additional Director – Industries.

Manojkumar N Nambiar



Manojkumar N Nambiar is the Managing Director of our Company. He has been a Director since October 2012, when he was appointed as the Managing Director of our Company with effect from October 3, 2012. He holds a

bachelors of engineering (mechanical branch) degree from VJ Technical Institute, University of Bombay, Maharashtra and a masters of management studies degree from Jamnalal Bajaj Institute of Management Studies, University of Bombay, Maharashtra and has completed pre-recruitment examinations for general insurance agents from the Insurance Institute of India, Maharashtra. He has completed "HDFC Life Strategy in the Age of Artificial Intelligence Programme" held at INSEAD, Fontainebleau, France. He has also completed the 'Strategic Leadership for Microfinance' course from Harvard Business School, U.S.A., "Strategem - Strategy meets Leadership" course from INSEAD, Fontainebleau, France, "HDFC Life Leadership Program 'Leading for Impact' from IMD", and "Enabling Strategic Impact in the Boardroom" at London Business School, London, United Kingdom. He has been working with various companies in the fields of business development, consumer banking and finance and microfinance across India and the Middle East. Previously, he was associated with Modi Xerox India Limited (formerly, Modi Xerox Limited),

Countrywide Consumer Financial Services Limited, ANZ Grindlays Bank, ABN Amro Bank N.V., National Bank of Oman, Alhamrani Company for Investment in Trade and Ahli Bank. He is the director of the governing body of Microfinance Institutions Network (MFIN), Chairperson of the Governing Board of Trustees at Association of Microfinance Institutions, West Bengal and is also the lead of the steering committee, AMFIRS'21, Assam. He is also on the Board of Aavishkaar Venture Management Services Private Limited and Intellecap Advisory Services Private Limited.

Vineet Chandra Rai



Vineet Chandra Rai is the Vice-Chairman and Promoter Nominee Director on our Board. He was nominated by AVMS and has been associated with the Company as a Director since October 24, 2013. He holds a Post-Graduate Diploma

in Forestry Management from the Indian Institute of Forest Management, Madhya Pradesh. In addition, Vineet has received numerous awards including the 2021 Access-HSBC Inclusive Finance India Award for personal contribution to Financial Inclusion in India, TIE Hall of Fame 2018, Porter Prize for Strategic Leadership in Social Space, 2016, CNBC TV 18 Award for being the Catalyst Fund for India, G 20 – SME Innovation in Finance Award 2010 in Seoul South Korea. In 2021 Vineet Chandra Rai was awarded the Faces of Vibrant Bharat 2021 by Grant Thornton Bharat. In 2023, Vineet Chandra Rai was honored with a Lifetime Achievement Award for Excellence in Impact Investment by India Start Foundation. In 2024, he was named as one of Equalifi's 'Indian Alternative Investments Thought Leaders and won the "Change maker of the Year -Venture Capital' at the WinPe Awards. He is an Ashoka Fellow and Honorary Member of XLRI Alumni Association and distinguished alumni of Indian Institute of Forest Management. Vineet is a serving member of the Alternative Investment Policy Advisory committee and Advisory Committee of Social Stock Exchange of Securities and Exchange Board of India. In 2022, Vineet was appointed on the G20 Start up 20 Engagement Group Task Force on Sustainability. Vineet was also invited by the Prime Minister Shri Narendra Modi for his "Roundtable interaction with Venture Capital and Private Equity Funds". In 2021, Vineet was also invited by the Prime Minister Shri Narendra Modi for consultations on doubling the income of the

farmers in September 2017 as part of his champions of change program. Vineet has also served as Commissioner at the Business Commission for Sustainable Development and as an advisor to United Nations Economic and Social Commission for Asia and the Pacific Science Technology and Innovation Advisory Board. In 2024 and 2025, Vineet Chandra Rai has been a part of the Organizing Committee at the Startup Mahakumbh. In 2025, Vineet also joined the CM of Uttar Pradesh's 'Economic Advisory Group'.

Ulhas S Deshpande



Ulhas S Deshpande is the Non-Executive Independent Director of our Company. He has been a Director of our Company since January 15, 2024. He holds a bachelor of science degree from Wilson College, University of Bombay, Maharashtra and a masters of arts (personnel management and industrial relations) degree from Tata Institute of Social Sciences, Maharashtra. Previously, he was associated with Origa Markets Private Limited, Suryoday Trust (a school empowering and educating children with special needs), RPG Enterprises, Bharti AXA Limited and IDBI Bank.

John Arunkumar Diaz



John Arunkumar Diaz is the Non-Executive Independent Director of our Company. He has been a Director since January 3, 2024. He holds a bachelor of science degree from the University of Madras, Tamil Nadu and has completed post graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur, Jharkhand. Previously, he was associated with Standard Chartered Bank in India, UAE and Singapore and Jain Sons Finance Limited. In addition, he has undertaken various and consulting assignments with banks in Mauritius, Indonesia, among others. He is currently on the board of Suryoday Small Finance Bank Limited and Old Bridge Mutual Fund Trustee Private Limited, among others. He is also an active member of TIE-Mumbai (The Indus Entrepreneurs, Mumbai Chapter).

Jose J Kattoor



Jose J Kattoor is the Non-Executive Independent Director of our Company. He has been a Director of our Company since January 3, 2024. He holds a degree of bachelor of science from University of Kerala, Kerala, degree of bachelor of laws (special) from Gujarat University, Gujarat and a post graduate diploma in rural management from Institute of Rural Management Anand, Gujarat. He has also completed the Wharton Advanced Management Program from Aresty Institute of Executive Education, Wharton School, University of Pennsylvania, U.S.A. He has passed the SME Finance for Bankers examination by the Indian Institute of Banking and Finance. He is a certified associate of the Indian Institute of Bankers. He is a former executive

director of RBI and was associated with RBI from 1991 to 2023. He served in various departments of RBI including its financial inclusion, non-banking companies, currency and communications departments. As an executive director, he supervised the enforcement, corporate strategy and currency departments of RBI.

Kummamuri Narasimha Murthy



Kummamuri Narasimha Murthy is the Non-Executive Independent Director of our Company. He has been an Independent Director since February 12, 2025. He was admitted to the Institute of Chartered Accountants of India in 1983 and the Institute of Cost and Works Accountants of India. He has received a citation by the Institute of Cost Accountants of India in October 2007 and was also awarded the CMA Achievers Meet: Vision 2030 award in December, 2024 by the Institute of Cost Accountants of India.

Anurag Agrawal



Anurag Agrawal is the Promoter Nominee Director of our Company. He was nominated to our Board of Directors by I-Cap. He has been a Director of our Company since October 3, 2012. He holds a bachelor of business administration degree and a master of commerce degree from the University of Madras, Tamil Nadu and a post graduate diploma in management from T.A. Pai Management Institute, Manipal, Karnataka. Previously, he was associated with ICICI Bank Limited.

Sri Radha Ramana Saripalli



Sri Radha Ramana Saripalli is the Non-Executive Nominee Director of our Company. He has been a Director of our Company since May 23, 2025. He was nominated to our Board of Directors by Small Industries Development Bank of India ("SIDBI"). He holds a degree of bachelor of arts from Andhra University, Andhra Pradesh and has completed degree of master of arts (sociology), from Andhra University, Andhra Pradesh. He has completed the CAIIB Rural Banking examination of Indian Institute of Banking and Finance, and has passed the Certified Associate of Indian Institute of Bankers Rural Banking examination held by Indian Institute of Banking and Finance. He is general manager at SIDBI and has been associated with SIDBI since 1996 and focuses in the areas of among others, credit, financial inclusion relating to MSMEs, microfinance, MFIs, clusters, livelihood enterprises and development initiatives.



Karina Isabel Alva Alfaro



Karina Isabel Alva Alfaro is a Non-Executive Nominee Director of our Company. She has been a Director of our Company since November 10, 2023. She was nominated to our Board of Directors by Maj Invest. She holds a degree in economics and international business from School of Economics and Administrative Sciences, Universidad ESAN, Peru. She was a member of Macroeconomic Observatory in Universidad ESAN, Peru. She has completed the HBS - Accion Program on Strategic Leadership in Inclusive Finance from Harvard Business School, Boston, Massachusetts, U.S.A. She is an investment director at Maj Invest and has been associated with them since 2022. Previously, she was associated with a Latin-American credit rating firm in the area of analysis, research and development (risks).

Nitish Chawla



Nitish Chawla is the Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by DSDG. He has been a Director of our Company since May 31, 2023. He holds a bachelor of engineering (computer engineering) degree from Thapar University, Patiala, Punjab and a post graduate diploma in management from Indian Institute of Management, Indore, Madhya Pradesh. He has also cleared the third level of the CFA examination. He is an investment director at Impact Fund for Denmark. Previously, he was associated with Banyan Capital Advisors Private Limited and DOIT Urban Ventures (India) Private Limited.

Wilhelmus Marthinus Maria Van Der Beek



Wilhelmus Marthinus Maria Van Der Beek is the Non-Executive Nominee Director of our Company. He was nominated to our Board of Directors by AG II. He has been a Director of our Company since December 5, 2016. He holds a doctoral degree in economics and business economics from Erasmus University, Rotterdam and has completed the European Leadership Course 6 from Comenius Leergangen. He is the founder of Goodwell Investments BV, a Netherlands-based investment firm focused on financial inclusion and also manages the Aavishkaar Goodwell India Microfinance Development Company I Ltd. and AG II.

Rupa Rajul Vora



Rupa Rajul Vora is the Non-Executive Nominee Director of our Company. She was nominated to our Board of Directors by FMO. She has been a Director of our Company since August 8, 2023. She holds a bachelors degree in commerce from University of Bombay, Maharashtra. She was admitted to the Institute of Chartered Accountants of India, New Delhi in 1984. She received the India's Top Women in Finance 2023 award from Equalifi, presented by Valuefy, and was recognised amongst India's 10 most influential women in finance by Rediff.com in 2012. She has been a member of the Jury for the CFO 100 Programme, 2022 by the CFO Institute, and has been conferred with the "Women Leadership Excellence Award" at the IPE – BFSI Awards 2013 by the Institute of Public Enterprise. She was previously associated with Oman International, KBC Bank N.V., IDFC Alternatives Limited, Antwerp Diamond Bank N.V. and IDFC Asset Management Company Limited. She has been a member of Confederation of Indian Industry's National Committee on Financial Reporting for the years 2020 - 2021 to 2023-2024.



KEY MANAGERIAL *Personnel*

Manojkumar N Nambiar



Manojkumar N Nambiar is the Managing Director of our Company. He has been a Director since October 2012, when he was appointed as the Managing Director of our Company with effect from October 3, 2012. He holds a bachelors of engineering (mechanical branch) degree from VJ Technical Institute, University of Bombay, Maharashtra and a masters of management studies degree from Jamnalal Bajaj Institute of Management Studies, University of Bombay, Maharashtra and has completed pre-recruitment examinations for general insurance agents from the Insurance Institute of India, Maharashtra. He has completed "HDFC Life Strategy in the Age of Artificial Intelligence Programme" held at INSEAD, Fontainebleau, France. He has also completed the 'Strategic Leadership for Microfinance' course from Harvard Business School, U.S.A., "Strategem - Strategy meets Leadership" course from INSEAD, Fontainebleau, France, "HDFC Life Leadership Program 'Leading for Impact' from IMD", and "Enabling Strategic Impact in the Boardroom" at London Business School, London, United Kingdom. He has been working with various companies in the fields of business development, consumer banking and finance and microfinance across India and the Middle East. Previously, he was associated with Modi Xerox India Limited (formerly, Modi Xerox Limited), Countrywide Consumer Financial Services Limited, ANZ Grindlays Bank, ABN Amro Bank N.V., National Bank of Oman, Alhamrani Company for Investment in Trade and Ahli Bank. He is the director of the governing body of Microfinance Institutions Network (MFIN), Chairperson of the Governing Board of Trustees at Association of Microfinance Institutions, West Bengal and is also the lead of the steering committee, AMFIRS'21, Assam. He is also on the Board of Aavishkaar Venture Management Services Private Limited and Intellectap Advisory Services Private Limited.

Milind Ramchandra Nare



Milind Ramchandra Nare is the Deputy Chief Executive Officer and Chief Financial Officer of our Company and has been associated with our Company since April 28, 2016. He was appointed as the Chief Financial Officer of the Company with effect from May 9, 2016 and as the Deputy Chief Executive Officer on August 14, 2025. He holds a bachelor of commerce degree from University of Bombay, Maharashtra and a master of financial management

degree from Pondicherry University, Union Territory of Puducherry. He has also completed the certification program on "Strategic Leadership in Inclusive Finance" from Harvard Business School, Boston. He is a finance professional with over 30 years of experience in finance. He is responsible for overseeing our Company's key functions including finance, treasury, credit, technology, human resources, training, and administration, and is also responsible for engagement with investors, lenders, regulators, rating agencies, and other external stakeholders. Prior to joining our Company, he was the chief finance officer of India Factoring and Finance Solutions Private Limited. He has also worked at Global Trade Finance Limited, The Bombay Dyeing & Manufacturing Company Limited, Pam Pharmaceutical & Allied Machinery Company Private Limited and L&T Finance Limited. He was conferred the 'Best CFO - BFSI (Large sized enterprises)' award for 2020 at the 8th CFO Summit Awards, 2021 by the All India Association of Industries.

Anirudh Singh Thakur



Anirudh Singh Thakur is the Company Secretary and Chief Compliance Officer of our Company and has been associated with our Company with effect from October 1, 2017. He holds a bachelor of science degree from Nagpur University, Maharashtra and a bachelor of law degree from Nagpur University, Maharashtra. He is an associate member of the Institute of Company Secretaries of India, New Delhi. He passed the Limited Insolvency Examination conducted by the Insolvency and Bankruptcy Board of India, New Delhi. He is responsible for our Company's legal and regulatory standing, overseeing the integrity of our governance protocols while spearheading the risk management strategies that protect our corporate reputation. He has over 26 years of experience in corporate law, commercial law, compliance, corporate legal and litigation. Prior to joining our Company, he worked as a legal consultant, and has also worked with India Factoring and Finance Solutions Private Limited, Global Trade Finance Limited, Intelenet Global Services Limited, Premier Auto Electric Limited and Pix Transmissions Limited, in their respective legal and secretarial departments. He received the 'Governance Professional of the Year' award at the 20th ICSI National Awards for Excellence in Corporate Governance, 2020. In 2022, he was named as a recipient of the Diligent Modern Governance 100 in the 'Boards and Governance Innovator' category.

SENIOR MANAGERIAL *Personnel*

Shailesh Kumar



Shailesh Kumar is the Chief Business Officer of our Company and has been associated with our Company since April 1, 2018. He is responsible for leading all aspects of our Company's business, encompassing organic, inorganic and MFI alliances from both, strategic and tactical perspectives, including central operations across all products, as well as the debt recovery function of the Company. He holds a bachelor of arts (English) degree from Babasaheb Bhimrao Ambedkar Bihar University, Bihar. He has over 25 years of experience in banking. Prior to joining our Company, he was associated with ICICI Bank Limited and the State Bank of India.

Ranjan Das



Ranjan Das is the Chief Risk Officer of our Company and has been associated with our Company since July 1, 2017. He is responsible for the overall risk management and control, portfolio risk analytics, credit and product policy approvals, large ticket credit risk underwriting enterprise risk management, risk modelling and information security risk management of our Company. He holds a bachelor's degree in science from University of Calcutta and master's degree in business management from the University of Calcutta. He has over 29 years of experience in the financial sector. Prior to joining our Company, he was associated with Nicco Uco Financial Services Ltd, Indian Container Leasing Company Limited, Citicorp Finance (India) Limited and Magma Fincorp Limited.

Abin Kumar Mukhopadhyay



Abin Kumar Mukhopadhyay is the Head of Internal Audit and Vigilance of our Company and has been associated with our Company since July 1, 2015. He is responsible for giving assurance on the internal control arrangements and promoting good corporate governance in our Company.

He is a qualified chartered accountant and a member of the Institute of Chartered Accountants of India. He is also a chartered management accountant (admitted as an associate of the Chartered Institute of Management Accountants), a certified information systems auditor (as certified by the Information Systems Audit and Control Association), a certified fraud examiner (as certified by the Association of Certified Fraud Examiners) and an associate of the Insurance Institute of India. He is the President of the Institute of Internal Auditors of India, Calcutta chapter for the Fiscal 2026. He has over 24 years of experience in audit, accounting and management. Prior to joining our Company, he has worked with Eveready Industries India Limited, ITC Limited, Colgate-Palmolive (India) Limited, Hindustan Motors Limited and Gumasol Rubber-Tec GmbH.

Arvind Murarka



Arvind Murarka is the Chief Information Officer of the Company. He was associated with our Company from August 2015 until February 2025, and re-joined our Company from February 13, 2026. He is responsible for overseeing the infrastructure of technical operations, tracking the technology and the information technology team to achieve goals, meet quotas, eliminate security risks, increase user satisfaction and maintain information technology infrastructure, operations and systems/ application. He holds a bachelor's degree in commerce from Calcutta University. He holds a master's degree in business administration from the Institute of Chartered Financial Analysts of India University, Sikkim and has completed the course titled 'data analytics essentials' from the National Institute of Information Technology, New Delhi. He has also completed advanced leadership and technology certifications from Indian Institute of Management Lucknow, IBM, and NIIT, New Delhi. He has experience of over 27 years across multiple industries including information technology consulting, healthcare, infrastructure, food processing, and retail. Prior to joining our Company, he has worked with GPT Infraprojects Limited, Medica Pharmacy Private Limited, IntraSoft Technologies Private Limited, iNavigators Private Limited, Softweb Technologies Private Limited, Amrit Feeds Limited and Kris Systems Private Limited.



Sharoni Pal



Sharoni Pal is the Head of Credit of the Company and has been associated with our Company since November 11, 2023. She is responsible for credit policy, credit administration and underwriting for the organic and inorganic business. She holds a bachelor's degree engineering (mech.) from Manipal Institute of Technology, Manipal, Karnataka and a post graduate diploma in management from S. P. Jain Institute of Management and Research, Mumbai, Maharashtra. She has over 27 years of experience in banking and financial services. Prior to joining our Company, she was associated with ITC Classic Finance Limited, Citibank, ABN AMRO Bank, Royal Bank of Scotland.

Kanchan Banerjee



Kanchan Banerjee is the Head of Human Resources, Training and Development, Administration, and CSR at the Company. She was associated with the Company from January 9, 2024 until December 31, 2024 and has rejoined the Company from June 18, 2026. She leads the organisation's people strategy and oversees the human resources function across corporate and business operations, training and development, administration, and CSR. She has completed the final examination of the course in electronics and telecommunication engineering from Sundargarh Engineering School, Sundargarh, Odisha, and has completed the final examination of the master of business administration program from Sikkim Manipal University of Health, Medical & Technological Sciences, Sikkim, and an executive diploma in human resource management from Xavier School of Management, Jamshedpur, Jharkhand (formerly known as Xavier Labour Relations Institute). She has over 20 years of experience in human resources, training and development. Prior to joining the Company, she served as Chief Human Resources Officer at Vedant Fashions Limited. Over the course of her career, she has held key leadership positions with organisations including Vodafone Mobile Services Limited, Wipro Limited, Bharti Airtel Limited, Vikram Solar Limited, Unitech Wireless (Tamil Nadu) Private Limited and Trident Limited.

Ketan Agrawal



Ketan Agrawal is the Deputy Chief Financial Officer and has been associated with the Company since June 1, 2018. He is responsible for the finance functions of the Company, including determining financial objectives, designing and implementing systems, formulating policies and procedures to facilitate

internal financial and process controls. He has completed the final examination of chartered accountancy held by the Institute of Chartered Accountants of India and has also passed information systems audit assessment test conducted by Institute of Chartered Accountants of India. He has 24 years of experience in the field of corporate accounting. Prior to joining the Company, he was associated with Poonawalla Fincorp Limited (formerly Magma Fincorp Limited), Birla Corporation Limited and Ashok Leyland Finance Limited.

Vinod Kumar Pandey



Vinod Kumar Pandey is the Head of Central Operations and has been associated with the Company since August 28, 2015. He holds a post graduate diploma in rural management from Xavier Institute of Social Service, Jharkhand, and a diploma in business management from ICFAI, Tripura. He is responsible for central operations and process control of our Company. He has over 22 years of experience in microfinance industry, livelihood development, rural marketing and life insurance. Prior to joining the Company, he was associated with International Development Enterprise (India), Max New York Life, Kotak Life, and L&T Finance.



THE MANY HANDS BEHIND *India's Growth*

The industry as a collective force of working people across the sector

The microfinance industry represents a powerful collective force working to strengthen the foundation of India's socio-economic pyramid. Behind its impact are many hands - regulators, industry bodies, investors, institutions, and field teams - working together to extend responsible financial services to underserved communities and create opportunities for sustainable growth.

In FY 2026, the Reserve Bank of India, self-regulatory organisations, and industry stakeholders provided critical guidance and support, while investors continued to back the sector's long-term potential. Together, these efforts have enabled microfinance institutions such as Arohan to remain focused on responsible growth, ensuring that access to finance translates into meaningful progress for customers, communities, and the broader economy.

The Indian microfinance sector is currently going through an important phase of transformation. After facing challenges related to higher credit costs and portfolio stress in recent years, the industry is gradually moving towards a more balanced, resilient, and sustainable growth path. This shift reflects not just a recovery but also the growing maturity of the sector. Recent

improvements in loan disbursements and portfolio growth indicate a stronger focus across the industry on responsible lending and sound business practices. For our Company, these developments reaffirm the importance of maintaining strong risk management standards, disciplined customer acquisition, and a continued emphasis on portfolio quality.



India's economic growth and long-term development agenda continue to place financial inclusion at the heart of national progress. While significant advances have been made in bringing more people into the formal financial system, a large number of low-income households and micro-entrepreneurs still have limited access to formal credit. This creates a significant opportunity for microfinance institutions. Demand for small-ticket loans remains strong across rural, semi-urban, and emerging urban markets, driven by entrepreneurship, livelihood generation, and the aspiration for financial independence. By expanding our presence in these markets, we can support economic empowerment while strengthening our growth prospects.

The rapid development of India's digital infrastructure is creating new opportunities for the microfinance sector. Digital identity systems, online payment platforms, and data-sharing frameworks have simplified customer onboarding, credit assessment, and collections processes. These advancements help improve operational efficiency, strengthen risk management, and enhance customer experience. At the same time, increasing formalisation of the economy is improving visibility into the financial activities of small businesses, enabling lenders to better assess creditworthiness and support enterprise growth. This creates opportunities to move beyond traditional lending models and support micro-enterprises more effectively.

The industry's increasing focus on credit discipline is also contributing to improved portfolio quality. Stronger underwriting practices, better monitoring systems, and regulatory measures aimed at preventing borrower over-indebtedness have helped strengthen the overall health of the sector. As a result, asset quality trends are showing signs of improvement across the industry. Our Company remains committed to maintaining prudent lending practices, supported by advanced analytics, robust credit assessment processes, and continuous portfolio monitoring.

Looking ahead, geographic expansion and product diversification remain key growth drivers. Government investments in rural infrastructure, connectivity, and economic development are creating new livelihood opportunities and expanding the addressable market for financial services. In response, we are broadening our product offerings to meet the evolving needs of our customers. In addition to traditional microfinance loans, opportunities exist in areas such as micro-enterprise

finance, affordable housing, education finance, and healthcare-related lending. A diversified product portfolio can help deepen customer relationships while enhancing business resilience.

As the sector continues to evolve, strong governance, technology adoption, and sustainable business practices will become increasingly important. Institutions that maintain high standards of compliance, transparency, and customer protection are likely to be better positioned to attract capital and create long-term value. Furthermore, the sector's contribution to financial inclusion, women's empowerment, and livelihood generation aligns closely with broader ESG objectives.

Going forward, the success of the microfinance sector will depend on balancing growth with responsible lending, innovation with risk management, and financial performance with social impact. By staying focused on these priorities, our Company remains committed to empowering underserved communities, creating sustainable value for stakeholders, and contributing to India's inclusive growth journey.

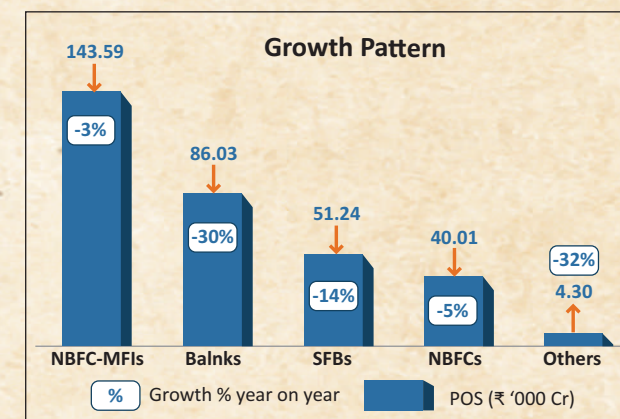
INDUSTRY OVERVIEW:

As of March 31, 2026, the Indian microfinance sector recorded a total loan portfolio outstanding of INR 3,25,174 Cr. The industry currently serves 10.1 crore active loan accounts across the country. On a year-on-year basis, the total portfolio experienced a degrowth of 13.3%.

NBFC-MFIs continue to be the dominant providers of micro-credit, holding the largest market share at 44.2% with a loan amount outstanding of INR 1,43,586 Cr. Banks represent the second-largest segment, securing a 26.5% share equivalent to INR 86,033 Cr. SFBs account for 15.8% of the universe at INR 51,238 Cr, while regular NBFCs and other MFIs constitute 12.3% and 1.3% respectively. The NBFC-MFI sector remains highly consolidated; large institutions (Asset Under Management of INR 2,000 Cr or more) account for 94.1% of the total industry AUM and 91.9% of the client base.

Geographically, the East and North-East regions hold the largest portion of the portfolio at 36.6%, followed by the South at 25.1%. The market is geographically concentrated, with the top 10 states constituting 83.6% of the overall gross loan portfolio. Bihar remains the largest market by outstanding portfolio at INR 52,940 Cr, trailed closely by Uttar Pradesh and Tamil Nadu. Among the top

states, Tamil Nadu registers the highest average loan outstanding per account at INR 35,887.



Source MFIN Micrometer issue 57

KEY INDUSTRY HIGHLIGHTS OF FY 2026

RBI Revises Qualifying Assets Criteria for NBFC-MFIs:

The Reserve Bank of India's revision of the Qualifying Assets (QA) requirement for NBFC-MFIs from 75% to 60% of total assets (net of intangible assets) represents a significant regulatory development for the microfinance sector. The revised framework provides greater operational flexibility while preserving the sector's core focus on financial inclusion and microfinance lending.

The change addresses practical challenges faced by NBFC-MFIs in managing liquidity, capital infusions, and portfolio transactions, which previously resulted in technical breaches of the QA threshold despite continued adherence to the spirit of the regulations. By aligning regulatory requirements more closely with operational realities, the revised norm is expected to strengthen compliance and improve portfolio management.

For NBFC-MFIs, the enhanced flexibility creates opportunities to diversify a portion of their portfolio into adjacent segments such as micro-enterprise financing, affordable housing, and other products catering to customers graduating beyond traditional microfinance. This enables institutions to support the evolving credit needs of borrowers while fostering stronger customer relationships and improving portfolio resilience.

Overall, the revised QA framework is expected to enhance the long-term sustainability of NBFC-MFIs, support prudent risk management, and strengthen their ability to drive inclusive growth while maintaining a clear focus on serving underserved and low-income communities.

The Bihar Micro Finance Institutions (Regulations of Money Lending and Prevention of Coercive Actions) Bill, 2026:

The Bihar Micro Finance Institutions (Regulations of Money Lending and Prevention of Coercive Actions) Bill, 2026 introduces enhanced borrower protection measures and stricter oversight of loan recovery practices within the State of Bihar. While regulated entities such as Banks and NBFC-MFIs remain outside the scope of certain licensing and registration provisions, key requirements relating to fair recovery practices, borrower protection, and the prohibition of coercive recovery methods are expressly applicable to all lending institutions operating in the state.

The legislation underscores the importance of maintaining robust customer protection frameworks, transparent collection processes, and strong governance standards. The Bill also prescribes significant penalties for non-compliance and extends accountability to directors and officers responsible for business operations, unless they can demonstrate adequate oversight and due diligence.

For NBFC MFIs, the Bill reinforces the need for continued adherence to responsible lending and recovery practices, enhanced monitoring of field operations, regular staff training, and strengthened compliance controls to mitigate regulatory and reputational risks while supporting sustainable financial inclusion.

MICROFINANCE SECTOR

Opportunities

The Indian microfinance sector is supported by strong structural fundamentals that position it well for sustainable long-term growth. One of the sector's key strengths is its integration with the PSL framework, which enables banks to channel funds to NBFC-MFIs for onward lending to underserved communities. This creates a stable funding pipeline, strengthens institutional partnerships, and supports the sector's growth momentum.

Another important strength lies in the proven effectiveness of the JLG model. By leveraging group accountability and community relationships instead of physical collateral, the model has helped maintain strong repayment behaviour and expand access to credit among low-income households. This unique lending framework continues to be a key differentiator for the industry.

The sector also enjoys deep penetration across rural and semi-urban India, where formal credit access remains relatively low. Through extensive branch networks and strong field-level presence, microfinance institutions have built trusted customer relationships and gained deep



insights into local market dynamics. This grassroots reach provides a significant competitive advantage and creates high entry barriers for new players.

Technology has emerged as another major strength for the industry. Widespread adoption of digital onboarding, e-KYC, automated credit bureau checks, core banking platforms, and cashless disbursements has improved operational efficiency, reduced turnaround times, enhanced customer experience, and strengthened risk management capabilities. Increasing use of data analytics, Artificial Intelligence, and digital tools is enabling institutions to build scalable, agile, and more efficient operating models.

The sector also benefits from a strong governance and self-regulatory framework led by industry bodies such as MFIN and Sa-Dhan. These institutions play an important role in promoting responsible lending, customer protection, transparency, and industry discipline, thereby supporting the long-term sustainability of the sector. Furthermore, the presence of a diversified ecosystem comprising NBFC-MFIs, Small Finance Banks, commercial banks, and other financial institutions strengthens overall sector resilience.

Looking ahead, the growth opportunity remains significant. Despite substantial progress in financial inclusion, a large gap continues to exist between the demand for microfinance credit and the availability of formal credit. This untapped market represents a substantial growth runway for the industry. In particular, underpenetrated regions across Northern and Western India offer attractive opportunities for customer acquisition, geographic diversification, and portfolio expansion.

India's rapidly expanding digital ecosystem is expected to act as a powerful growth catalyst. Increasing smartphone penetration, digital payments adoption, AI-driven analytics, and technology-enabled lending platforms are helping institutions improve customer acquisition, strengthen underwriting, lower operating costs, and enhance portfolio monitoring. In today's environment, data is increasingly becoming a strategic asset, enabling lenders to make faster, smarter, and more informed decisions.

A significant opportunity has also emerged from the Reserve Bank of India's revised regulatory framework for NBFC MFIs. The reduction in the qualifying asset requirement from 75% to 60% of total assets provides greater strategic flexibility to institutions. This allows up to 40% of the balance sheet to be deployed in adjacent lending businesses such as micro-enterprise finance, affordable housing loans, secured business loans, individual loans, and gold loans. This regulatory flexibility

enables institutions to diversify their asset mix, improve portfolio quality, create multiple revenue streams, reduce concentration risks, and build a more resilient business model while continuing to serve their core financial inclusion mandate.

In addition, rising rural incomes, improving consumption patterns, increasing financial awareness, and greater participation in the formal economy are creating favourable conditions for deeper financial penetration. The narrowing gap between rural and urban consumption levels reflects growing economic aspirations and stronger household cash flows across rural India. As demand for credit, savings, insurance, and wealth-building products continues to rise, microfinance institutions are well positioned to deepen customer engagement and expand their share of wallet.

Overall, the sector is well positioned to benefit from favourable demographic trends, policy support, digital transformation, regulatory flexibility, and expanding financial inclusion. Institutions that combine strong governance, customer-centricity, technological innovation, and disciplined execution will be best placed to capitalise on these opportunities, generate sustainable growth, and create long-term stakeholder value.

Threats

The Indian microfinance sector operates in a rapidly changing environment influenced by evolving regulations, changing customer needs, economic uncertainties, and growing competition. While the long-term outlook for financial inclusion remains positive, several factors could affect the sector's growth, profitability, and asset quality.

One of the key challenges is the changing regulatory environment. The RBI continues to strengthen regulations relating to responsible lending, customer protection, governance, and operational controls. While these measures help build a stronger and more sustainable industry, they also require microfinance institutions to continuously enhance their compliance systems, risk management practices, and governance standards. Non-compliance could lead to operational restrictions, higher compliance costs, and reputational risks.

The sector also faces credit-related challenges. In some regions, borrowers may have loans from multiple lenders, leading to higher levels of indebtedness. Additionally, fluctuations in household income, particularly among low-income customers, can affect repayment capacity and increase the risk of delinquencies. Although the industry has taken steps to strengthen underwriting and credit assessment practices, maintaining portfolio quality remains a key focus area.

Macroeconomic factors can also influence sector performance. Rising inflation, higher fuel and commodity prices, adverse weather conditions, and global geopolitical developments can affect household incomes and spending patterns. These factors may reduce borrowers' repayment capacity and impact overall credit demand.

Microfinance operations are also vulnerable to local disruptions such as floods, cyclones, public health emergencies, and social or political disturbances. Such events can temporarily affect customer livelihoods, disrupt business activities, and impact collection efficiency. In some cases, loan waiver announcements or debt relief measures may also influence repayment behaviour.

The increasing use of technology has improved customer access and operational efficiency across the sector. However, it has also increased exposure to cybersecurity risks, data privacy concerns, and technology-related disruptions. As digital adoption grows, institutions must continue investing in strong information security systems and data protection frameworks.

Competition within the financial services sector has intensified with the growing presence of commercial banks, Small Finance Banks, fintech companies, and other lending institutions. This may create pressure on customer acquisition, market share, profitability, and operating margins. As a result, institutions need to differentiate themselves through better customer service, innovative products, technology adoption, and strong risk management.

Access to funding is another important factor for the sector. Microfinance institutions depend on timely and cost-effective funding to support growth. Changes in interest rates, liquidity conditions, and capital market sentiment can affect borrowing costs and profitability. Therefore, maintaining a strong balance sheet and effective asset-liability management remains critical.

Employee retention also continues to be a challenge. High attrition levels, particularly among frontline staff, can impact productivity, customer relationships, and operating efficiency while increasing recruitment and training costs. Building a skilled and motivated workforce remains essential for long-term success.

Despite these challenges, the sector continues to offer significant growth opportunities. Institutions that maintain strong governance standards, prudent lending practices, effective risk management, technological capabilities, and a customer-centric approach will be better positioned to achieve sustainable growth and create long-term value for all stakeholders.

WAY FORWARD FOR FY 2027

As we look ahead, we remain optimistic about the long-term prospects of both, the Indian economy and the microfinance sector. The increasing formalisation of financial services, rapid expansion of digital infrastructure, and continued policy focus on financial inclusion present significant opportunities for institutions that combine growth ambitions with strong governance and prudent risk management. In an environment where 'growth is good, but quality growth is better', we remain committed to building a franchise that is scalable, resilient, and future-ready.

At Arohan, our strategy for the future is anchored on four key pillars.

First, we will continue to pursue sustainable and diversified growth. While microfinance remains our core business, we will progressively strengthen our presence across complementary lending segments, including secured products such as gold loans, housing finance, and home-improvement loans. This will help us build a more balanced portfolio, enhance customer lifetime value, improve portfolio granularity, and strengthen the resilience of our business model across economic cycles. As the saying goes, "do not put all your eggs in one basket"; diversification remains a key pillar of long-term value creation and risk management.

Second, we will deepen our focus on technology and data-driven decision-making. Investments in advanced analytics, Artificial Intelligence, machine learning, and digital platforms will enable us to strengthen credit underwriting, improve operational efficiency, enhance collections, and deliver a superior customer experience. We are increasingly leveraging data as a strategic asset, enabling smarter customer acquisition, risk-based pricing, predictive portfolio monitoring, and enhanced decision-making. Our objective is to create a scalable and future-ready institution that combines the power of technology with the trust-based relationships that have always been central to our success. We firmly believe that in the future of financial services, '*data is the new collateral*' and technology will remain a key differentiator.

Third, we will continue to place customer centricity at the heart of everything we do. By expanding our digital capabilities and strengthening our distribution network, we aim to make financial services more accessible, convenient, and responsive to the evolving needs of our customers. As millions of households aspire for greater financial security, entrepreneurship, and economic mobility, Arohan will remain a trusted partner in their journey. Our approach is guided by a simple principle: *when our customers grow, we grow with them.*



Fourth, we will maintain an unwavering commitment to strong governance, responsible lending, and disciplined risk management. The lessons learned across the industry over the past few years have reinforced the importance of balancing growth with prudence. We will continue to prioritise portfolio quality, compliance excellence, capital efficiency, and long-term value creation over short-term gains. In financial services, sustainable success is not measured by the speed of growth alone, but by the ability to preserve trust through every business cycle.

As we enter the next phase of our journey, we are also laying the groundwork for an important milestone in Arohan's evolution, our proposed IPO subject to regulatory approvals, market conditions, and other necessary considerations. Over the past several years, we have focused on building a strong and scalable institution by strengthening our governance architecture, financial controls, risk management framework, technology infrastructure, and operational capabilities. These investments have positioned us well for the next stage of growth and enhanced our readiness to access public capital markets.

We view the proposed IPO not merely as a capital-raising exercise, but as a strategic step in Arohan's long term growth journey. We expect to receive the benefits of listing of the Equity Shares on the stock exchanges, enhancement of our brand name and creation of a public market for our Equity Shares in India.

Our vision extends beyond financial performance. Every loan we disburse represents an opportunity to support an entrepreneur, strengthen a household, empower a woman, and contribute to local economic development. As we move forward, we remain committed to creating sustainable impact while delivering consistent value to our stakeholders. We believe that the true measure of success lies not only in financial returns, but also in the positive change we create in the lives of the communities we serve.

As we prepare for this transition, our focus remains on building a high-quality, institutionally governed franchise characterised by sustainable growth, strong asset quality, operational excellence, and responsible lending practices. We believe that a public listing will mark the beginning of a new chapter in Arohan's journey, creating long-term value for our customers, employees, investors, and all other stakeholders.

With a strong foundation, a clear strategic direction, and the dedication of our people, we are confident that Arohan is well positioned to capitalise on emerging opportunities and continue its journey as one of India's leading financial inclusion institutions. Our focus remains

on building an institution that is not only larger in scale, but stronger in capability, deeper in impact, and superior in governance.

Together, we will build a stronger, more resilient, more technology driven and more inclusive future, creating enduring value for our customers, shareholders, employees, and society at large.



REACHING EVERY HAND *that works*

Advancing Inclusive Growth

At Arohan, our purpose is rooted in advancing financial inclusion and empowering every hand that works. We are committed to understanding the aspirations and needs of our customers and delivering solutions that help them grow their livelihoods, strengthen their financial resilience, and unlock opportunities for progress.

Through a blend of organic and inorganic growth strategies, innovative products, and customer-centric service delivery, we continuously expand our reach to underserved geographies and communities. By making responsible financial services more accessible, we ensure that opportunity reaches every individual striving to build a better future. Our approach is guided by transparency, trust, and service excellence throughout the customer journey. Beyond financial inclusion, we are equally committed to nurturing stronger communities through social initiatives and environmentally responsible practices that create sustainable impact.

At Arohan, we believe progress begins with every hand that works. By extending our reach and enabling access to opportunities, we help transform effort into achievement, fostering resilience, prosperity, and inclusive growth for all.

FY 2026 was a landmark year for Arohan, marked by significant achievements that strengthened its growth trajectory and reinforced its commitment to empowering every hand that works. Through strategic

expansion, innovation, and customer-centric initiatives, Arohan aligned to its vision of positively impacting 20 million lives by the year 2030.



As of March 31, 2026, Arohan achieved its highest-ever portfolio outstanding of INR 7426 Crs, reflecting the trust of millions of customers and the dedication of its employees. With an extensive presence across 16 states and a strong branch network of 1,069, the organisation continued to bringing responsible financial services closer to underserved households and enabling greater economic participation.

In an increasingly dynamic business environment, Arohan remained agile and forward-looking, embracing innovation, digital transformation, and process excellence to enhance operational efficiency and customer experience. Throughout the year, the organisation focused on scaling its impact, strengthening stakeholder value, and creating opportunities for sustainable progress.

PRODUCTS DESIGNED FOR SUSTAINABLE PROGRESS

Our operations are focused on customer centricity, supported by a range of income-generating and financially inclusive offerings aimed at meeting the diverse needs of financially underserved and unserved customers. Our product portfolio comprises core microfinance products, including the Saral loan and micro-enterprise loans ("MEL"), as well as certain secondary, cross-sell products offered exclusively to our core loan product customers to address their requirements for both financial and non-financial products. These products support livelihood enhancement, working-capital requirements and essential household needs.

Flagship Loan Products

Saral Suite of Products: The Saral loan, our principal core loan product, caters to women who are residing in low-income areas and are generally involved in trade and services. Anchored in the Joint Liability Group (JLG) model, For Saral loans, we predominantly provide loans to groups consisting of two/three to five women, and centres typically consisting of up to 30 members.

In recognition of the evolving financial journeys of its customers, Arohan introduced **Saral Khaas** in FY 2026. Saral Khaas refers to loans offered to borrowers meeting enhanced eligibility criteria, including stronger credit profiles and repayment history, as determined by our Company's internal risk assessment framework.

The Saral product family, which includes Saral New-to-Credit, Saral Use-to-Credit, Saral Khaas and Saral Repeat, offers loan amounts ranging from INR 25,000 to INR 1,25,000 and have a term of 24 to 30 months.

Micro Enterprise Loans

Recognising the vital role that micro and small enterprises play in India's economy, Arohan offers tailored credit solutions designed to meet the unique needs of small entrepreneurs. Our MELs are collateral-free individual loan products designed to meet the working capital requirements of small businesses operating from



established business premises. Borrowers under this product segment are predominantly individuals engaged in small trading activities and micro-enterprise operations. Loan amounts typically range from INR 50,000 to INR 5,00,000, with tenors spanning 24 to 36 months.

The loan appraisal process includes an assessment of the borrower's credit history, existing fixed obligations, and household income, supplemented by validation of business ownership or operational proof along with standard KYC documentation. The appraisal further incorporates a business premises assessment to verify the nature and continuity of the business. Final loan sanction is contingent upon a real-time video-based personal discussion ("Video PD") with the borrower and compliance with established credit underwriting norms. The credit evaluation approach varies based on the loan ticket size and the borrower's credit requirements, utilizing either assessed income methodologies or banking turnover analysis to determine repayment capacity. Repayments are structured as monthly EMIs, which can be auto-debited from the borrower's bank account through a UPI mandate, ensuring ease and timeliness of repayment.

By closely understanding the challenges faced by micro-entrepreneurs, Arohan delivers flexible, need-based financing that empowers them to strengthen their enterprises and progress with confidence.

Differentiator Service

Arohan Privilege

ArohanPrivilege is our Company's technology-based lending offering that enables eligible microfinance customers to apply for and receive loans through a fully technology based and cashless process through the ApnaArohan mobile application.



ArohanPrivilege is not just a service, it's a transformative experience. Built on the vision of empowering customers across geographies where Arohan's flagship product Saral is active, the platform enables eligible borrowers to apply for and repay microfinance loans digitally, at their convenience and on their terms.

Customers can access loan amounts ranging from INR 20,000 to INR 1,00,000 and complete end-to-end transactions from their homes, with the flexibility to choose the loan amount and tenure. ArohanPrivilege follows a hybrid engagement model, wherein customers, both new and existing, can initiate loan applications digitally, supported by field-level facilitation from Customer Service Representatives (CSRs). This approach combines the efficiency of digital processes with on-ground validation, ensuring both convenience and reliability.

The facility is currently available across multiple states where our Company operates. This offering serves as a differentiator service for our Company, as it provides customers with a digital, convenience-led borrowing experience that is distinct from traditional microfinance delivery models and enhances our value proposition.

By the close of FY 2026, 41,552 customers have successfully availed this service, with a managed portfolio of INR 175.25 Cr - clear evidence of the trust and impact this initiative has fostered.

Secondary Loan Products

Cross Sell Products

In addition to the above-mentioned core loan products, we offer a range of secondary products for other daily purposes to our core lending product customers. We cater to our customers' requirements for both financial products like Life, Health and General Insurance, as well as non-financial products.

Over the years, Arohan has developed a powerful platform for deepening connections with customers and their families. At the heart of this evolution is a focused strategy— designed not only to broaden customer access to diverse financial inclusion products but also to strengthen long-term lender – creditor relationships and overall customer engagement.



Our Cross Sell business model aims to enhance customer touchpoints while improving their standard of living. This model allows us to diversify operational risks and create new revenue streams, contributing to our sustainability

and growth. By utilizing the 'ApnaBazaar' platform, we integrate cross-selling into our customer interactions. Through scheduled meetings with customer service representatives, we present innovative products to both new and existing customers. Over time, we have established multiple connections with customers and their families to meet their evolving needs for financial inclusion and non-financial products.

1. Financial Safety Net Products

Arohan's approach to financial products reflects a blend of operational efficiency and a deep commitment to customer well-being. The insurance onboarding process is fully digital and paperless, ensuring a seamless experience. Upon enrollment, each customer receives a SMS containing a Certificate of Insurance (CoI) accessible via a compressed URL directly from the insurer.

Arohan is a registered Corporate Agent (Composite) with the Insurance Regulatory and Development Authority of India (IRDAI), reaffirming its dedication to offering reliable insurance solutions and a robust support system as part of its broader financial inclusion mission.



Arohan's Financial Safety Net Products are designed

to bring households into the broader fold of financial inclusion by offering essential protection against life's uncertainties. These products serve as a critical layer of security for customers and their families, helping them build resilience in the face of unforeseen challenges. Currently, this category includes a range of Life, Health and General Insurance offerings, developed in partnership with trusted insurance providers. These policies are issued and underwritten by the respective insurers with whom Arohan has established formal tie-ups, ensuring credibility, compliance, and customer trust. By facilitating access to these insurance solutions, Arohan empowers its customers to safeguard their own financial well-being and future - a key pillar of its inclusive, customer-centric approach.

Arohan's suite of financial Cross Sell products include:

- Group Term Life Insurance:** With insurance coverage equal to the loan amount of the customer, in the unfortunate event of the death of the policyholder, the insurance allows the nominee to obtain a sum insured under the policy minus the amount outstanding under the loan agreement at the time of death of insured. This ensures that the nominee is not burdened with the fulfilment of the outstanding loan amount. To safeguard the customer's family in such an unfortunate event, it is a useful product for Arohan's borrowers and their co-borrowers, if they choose to get enrolled to this insurance.



b) Health Insurance: Under Health Insurance options, Arohan's borrowers and co-borrowers are offered Hospicash Policy. Customers opting for Hospicash policy are entitled to receive a daily cash benefit, in the form of compensation against wage loss for each completed period of 24 hours of hospitalisation at any registered hospital due to sickness. The daily benefit for ICU hospitalisation is double that for the non-ICU hospitalisation. Additionally, it includes personal accident coverage for death and for permanent total or partial disablement, along with a critical illness benefit covering nine specified illnesses (with 90 days waiting period). The policy also offers a convalescence benefit for a continuous stay of 10 days or more and a 24x7 tele-medicine coverage for upto 6 members of customer, coverage for pre-existing diseases, and no waiting period for maternity benefit expense cover.

c) General Insurance: Under General Insurance options, Arohan customers are offered Shopkeeper Insurance. This Insurance is offered only to existing Arohan customers who have availed of a MicroEnterprise Loan. This Insurance product aims to protect their business premises and assets against unforeseen risks. The policy has a tenure of one year and is available in multiple variants with different coverage limits and premiums. The product provides insurance coverage for stock, business contents, burglary, and terrorism-related losses. The policy protects shopkeepers against a wide range of risks including fire, explosion, lightning, natural disasters such as earthquake, flood, cyclone and landslide, impact damage, riots and malicious damage, bursting of water tanks or pipes, sprinkler leakage, theft following insured events, and burglary.

2. Non-Financial Products

We offer a range of utility products to our customers at affordable costs. These products can also be financed by us through secondary loans for eligible customers. Current products available under non-financial products include but are not limited to inverter bulbs, home and kitchen appliances, and consumer durables, made available in association with various third parties.

Our cross-sell business model aims to enhance customer touchpoints while improving their standard of living. This model allows us to diversify operational risks and create new revenue streams, contributing to our sustainability and growth. By utilizing the 'ApnaBazaar' platform, we integrate cross-selling into our customer interactions. Through scheduled meetings with customer service representatives, we present innovative products to both new and existing customers. Over time, we have established multiple connections with customers and their families to meet their evolving needs for financial inclusion and non-financial products.

These offerings are thoughtfully selected to enhance the quality of life and livelihood of customers and their families. From essential home and kitchen appliances to cutting-edge electronics and reliable consumer durables, each product is chosen for its ability to deliver tangible value and convenience in everyday life.

To ensure efficient delivery and a seamless customer experience, Arohan has developed multiple sourcing and distribution models in collaboration with third-party vendors. **These models are designed to adapt to the unique needs of different customer segments and geographies:**

a) Stockist Model: In this model, Arohan can refer cash-paying customers directly to our partners for seamless fulfilment. a designated agent from the business partner (the "Stockist") is responsible for handing over the product directly to the customer at the point of demand generation and for converting the interest to sale.

b) Last-Mile Delivery Model: Arohan has partnered with some Last Mile Delivery companies who facilitate doorstep delivery of products, from several reputable brands to our customers' home. Under this arrangement, Arohan provides financing options for credit-based purchases of Large consumer durables and small appliances. The aim is to ensure convenience and ease of access for the customer.

Enhancing Customer Value through Secondary Products

In FY 2026, Arohan enhanced its product and process ecosystem with a strong focus on compliance, customer choice, operational efficiency, and responsible growth

Key insurance process improvements included strengthened claim management, streamlined policy surrender procedures, enhanced monitoring of Hospicash claims, and the introduction of comprehensive Insurance SOPs and a revised Grievance Escalation Matrix. Arohan further strengthened its 'ApnaBazaar' platform by making insurance enrolment fully voluntary with mandatory customer consent, offering customers greater flexibility in choosing insurers and coverage options, and enabling seamless enrolment across multiple insurance products.

Several customer-centric process enhancements were also introduced, including eKYC-based validations, vernacular-language loan documentation, interest capture for selected utility products, and region-specific product offerings. To reinforce responsible lending, safeguards such as geo-tagging, timestamped image capture, mandatory acknowledgement receipts, and stricter controls on borrower data modifications were implemented. On the product front, Arohan expanded its protection offerings with the launch of a new Life Insurance product, a refreshed Shopkeeper Insurance plan for Micro Enterprise Loan customers, and new Hospicash variants tailored to diverse customer needs.

These initiatives strengthened customer trust, improved accessibility, and enabled a more seamless and responsible customer experience, supporting Arohan's commitment to inclusive and sustainable growth.

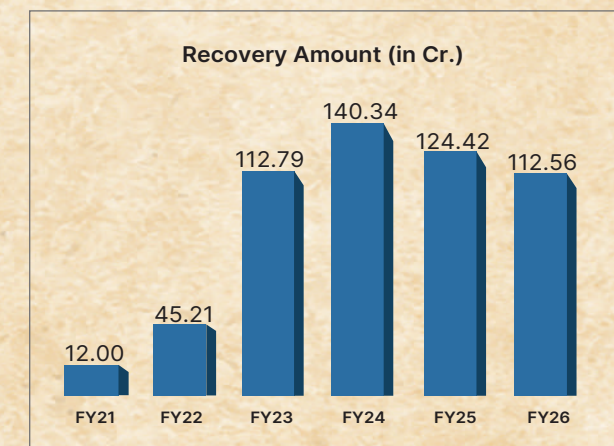
ENABLING PROGRESS THROUGH CUSTOMER-CENTRIC DEBT RECOVERY

In FY 2026, Arohan continued to reinforce its strategic and empathetic approach to managing overdue accounts through its Debt Receivable Department, focusing not just on recovery, but on providing stressed customers with the necessary support and guidance to help them repay, thereby providing them with the opportunity to rebuild their creditworthiness. The Debt Receivable Department takes a measured approach to curing overdue accounts, with the aim of maintaining our strong origination and underwriting standards while ensuring optimization and productivity, thereby minimising credit costs.

With a structured and scalable framework - comprising 2 Divisional Receivable Managers (DRMs), 7 Deputy Divisional Receivable Managers (DDRMs), over 60 Cluster Receivable Managers (CRMs), a Central Strategy Team, and more than 850 dedicated Receivable Executives (REs) on the ground - Arohan has built a robust mechanism for customer engagement and recovery.

This customer-focused approach led to the successful recovery of INR 112.56 Cr in FY 2026, including a significant INR 55 Cr from written-off accounts, demonstrating the effectiveness of combining operational strength with compassionate outreach. Many of these recoveries reflect instances where customers, with the right support, were able to resume repayments and work towards restoring their financial standing.

This marks the fourth consecutive year since the department's inception in FY 2023 that Arohan has surpassed INR 100 Cr in annual recoveries. The sustained recovery performance over the past four years indicates the increasing maturity in Arohan's recovery architecture and consistently effective customer outreach across geographies.



Customer Engagement and Recovery Strategies

To achieve meaningful recovery outcomes while supporting customers in financial stress, Arohan has implemented a set of broad, customer-centric strategies. These initiatives are designed not only to drive recoveries but also to rebuild customer trust and creditworthiness through proactive engagement, education, and structured resolution mechanisms.

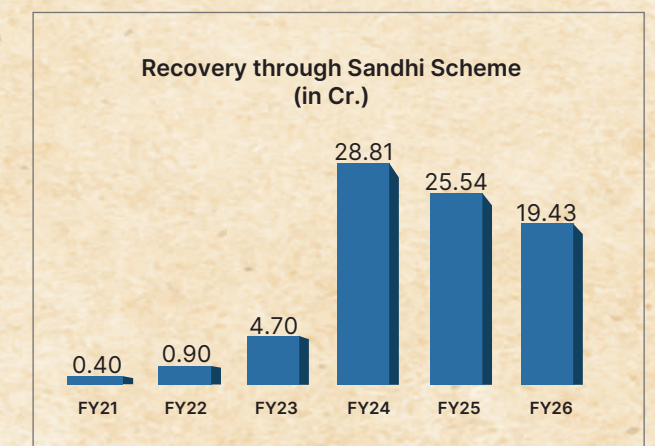
Field Strategy: Personalised Outreach and Education

a) Customer Household Visits and Promise to Pay (PTP): Arohan's team of Receivable Executives (REs) plays a crucial role in directly engaging with customers through household visits. Their efforts focus on establishing rapport, educating customers about the importance of maintaining a strong credit history, and encouraging timely repayments. When immediate payment is not feasible, REs work with customers to secure Promise to Pay (PTP) commitments, ensuring clarity and mutual accountability.

b) Data-Driven Engagement with Recovery Scorecards: To prioritise and personalise outreach, Arohan has developed customer level Recovery Scorecards. These are informed by each customer's collection history, payment patterns, current delinquency status, and performance metrics—both with Arohan (on-us) and externally (off-us). These insights enable targeted, effective follow-ups tailored to individual circumstances.

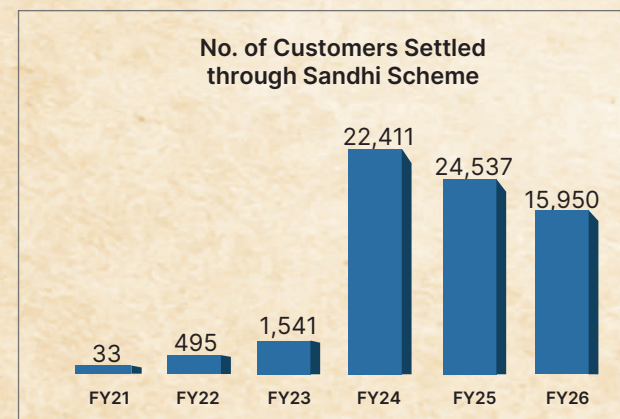
c) Sandhi Settlement Scheme: To maximize recoveries from written-off accounts, Arohan had launched the Sandhi Scheme in February 2021, and has been offering such customers a one-time settlement (OTS) opportunity on the basis of pre-defined settlement matrices.

The total recovery through the Sandhi Settlement Scheme, since its inception, stood at INR 79.78 Cr as on March 31, 2026.





Approximately 16,000 customers were settled through this scheme in FY 2026, compared to 24,000+ in FY 2025, 22,000+ in FY 2024, 1500+ in FY 2023 and 495 in FY 2022.



Legal Strategy: Structured Escalation with Fair Warning

- a) **Soft Reminders and Legal Notices:** As part of a phased approach, Soft Reminder Letters are issued to encourage repayment and serve as an early intervention tool. If customers remain unresponsive, formal Legal Notices are issued through empanelled Advocates, emphasizing the seriousness of the obligation while still offering opportunities for resolution.
- b) **Alternative Dispute Resolution via Lok Adalats:** Arohan has also actively leveraged settlement opportunities through Special Lok Adalats and National Lok Adalats, providing customers with a fair and legal platform to settle dues. These initiatives not only expedite resolution but also offer customers a dignified path to restore their credit standing.

Through all these legal efforts and interventions, Arohan recovered over INR 23 Cr in FY 2026 demonstrating the effectiveness of a balanced strategy that emphasizes both firmness and fairness.

Technology-Driven Recovery Initiatives Leveraging External Solutions:

- a) **Conversational AI-driven Voice Bots:** In FY 2026, Arohan continued to use generative AI driven conversational voice calls by “Arohi”, the Company’s first Bot Employee, to gauge customers’ intentions regarding repayment or settlement of their overdue accounts. By following up on recorded Promise-To-Pay (PTP) dates, Arohan has ensured more targeted recovery efforts in a shorter timeframe. This approach has helped in the recovery of approximately INR 4 Cr of which 75% is from previously inactive accounts.

This underscores the effectiveness of leveraging advanced technology to engage with customers and drive positive outcomes in debt recovery efforts.

- b) **Dista, AI-based Field-Force Management Software:** Arohan continued leveraging the ‘Dista’ app—an AI-based field force management tool—to streamline the daily operations of its Recovery Executives. The platform enables efficient tracking of customer interactions, facilitates seamless follow-ups, and in-app nudges that guide field teams toward priority actions. These, along with a ‘manager’ app for the respective supervisors, significantly boosted the monitoring of recovery efforts, expanding field coverage increasing the likelihood of repayment from targeted customer segments.
- c) **Strengthening Skip Tracing Capabilities:** In cases where customers are uncontactable, we undertake structured skip-tracing through our in-house team and where required, use external solutions to obtain and validate alternate contact information. In the last quarter of FY 2026, a pilot on a small non-contactable customer base using this intelligence improved contact-ability by ~32 % of the pilot pool.

INORGANIC BUSINESS

Our inorganic business generally refers to a partnership-driven lending model where we collaborate with NBFCs to originate and service loans. Our inorganic business comprises (i) the provision of term loans to NBFCs, (ii) sourcing and collections activities undertaken through partnered MFIs, and (iii) Direct Assignment (“DA”) transactions from other NBFCs. These partnerships enable us to expand our business reach through asset-light, scalable models while maintaining prudent credit and operational controls.

1) Term Loans to NBFCs

We extend term loans upto INR 100 Cr to NBFCs that borrow from Arohan to create financial assets (loan portfolio). These loans are provided for the purpose of onward lending. Prospective NBFC partners are identified through a structured evaluation process. This includes comprehensive financial and operational due diligence, KYC, following which proposals are presented to our credit committee for approval. Loan disbursements are executed in accordance with the sanction terms and internal credit guidelines, ensuring adherence to our underwriting standards and risk management framework.

2) Sourcing and Collection Arrangements

Under these arrangements, select small MFIs act as

our Business Correspondents (“BCs”), for which they receive a service fee. As BCs, they are responsible for sourcing new customers on our behalf in accordance with our approved KYC and credit policy/process guidelines, and within the framework of Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, as amended. These sourcing and collection partners also support us in repayment monitoring and collection activities. Amounts collected from borrowers are subsequently deposited into our designated bank accounts, in line with the operational protocols and controls established under the partnership.

3) Direct Assignment

Direct Assignment (DA) transactions enable microfinance lenders to enhance liquidity by transferring eligible loan pools to other regulated financial institutions. In such transactions, the partner NBFCs acts as the originator and assignor of the underlying loan receivables to our Company, which acts as the assignee. Under a DA arrangement, a qualifying pool of assets is identified following comprehensive due diligence and scrutiny in accordance with the RBI’s guidelines on DA. The transaction is executed through a formal assignment agreement and a servicing arrangement, typically facilitated by a trustee structure, under which the originating NBFCs (the assignor) continues to act as the servicer. As servicer, the assignor remains responsible for collection activities and subsequently remits collected amounts to us through the appointed trustee, adhering to the agreed pay-in and pay-out timelines. We ensure full compliance with all applicable RBI regulations governing direct assignment structures, including eligibility criteria, minimum holding period (“MHP”), minimum retention requirement (“MRR”), and reporting obligations.

In FY 2026 Arohan expanded this ecosystem by onboarding 19 new MFI partners, for term loans as well as improving liquidity for sellers through Direct Assignments and extending its footprint into new markets. This strategy reflects Arohan’s commitment to financial inclusion, operational innovation, and sustainable growth, positioning it as a leader in collaborative microfinance.

CENTRAL OPERATIONS AND CUSTOMER INSIGHTS

Our central operations team oversees a wide range of enterprise-level functions, including product management and diversification, process management, cashless collections, central processing operations, policy formulation, customer service, and customer experience management. Our product management team is

responsible for designing, refining, and managing products in alignment with customer needs and market expectations. In addition, the central operations function leads the execution of various strategic initiatives aimed at enhancing operational efficiency, strengthening controls, and improving customer engagement.

Key initiatives include:

- Cashless repayment project, to drive digital payment adoption and reduce cash-handling risks;
- End-to-end paperless disbursement process through e-sign, ensuring faster and more secure disbursement workflows;
- Customer on-boarding through e-KYC, which enhances compliance and mitigates fraud risks;
- Loan officer live tracking project, designed to improve field productivity and monitoring;
- Welcome calls through multilingual voice bot, enhancing early-stage customer engagement;
- Customer loyalty programmes, implemented to strengthen customer retention and improve center meeting attendance; and
- Process control which encompasses fraud, audit action closure, and branch cash management process.

The department also undertakes the periodic review and refinement of field staff incentive frameworks and scorecards, ensuring alignment with business goals, regulatory expectations, and performance standards.

Customer Engagement and Recovery Strategies

The customer insights team also forms a part of the central operations department. The customer insights team is the custodian of customer grievance redressal mechanisms to ensure compliance with MFIN and RBI guidelines for the same.

When a customer has a complaint or query, the same is addressed by the relevant customer service representative or the branch head. If the complaint cannot be resolved, the customer has the option of escalating the same by contacting our toll-free number, WhatsApp or E-mail to our customer care helpdesk. To avoid any language barrier issues, each customer’s call is redirected based on location. If the complaint remains unresolved, our customer may further escalate the matter to the grievance redressal officer. Workflow-based routing of cases has been integrated so that all customer queries and concerns are linked to an appropriate workflow, enabling prompt follow-up action.



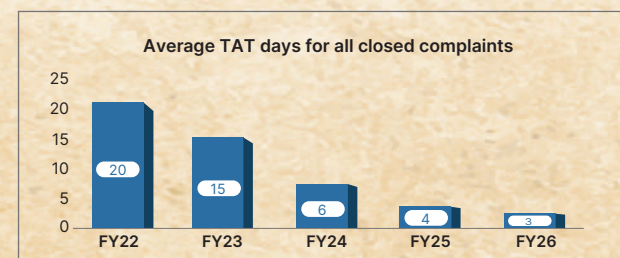
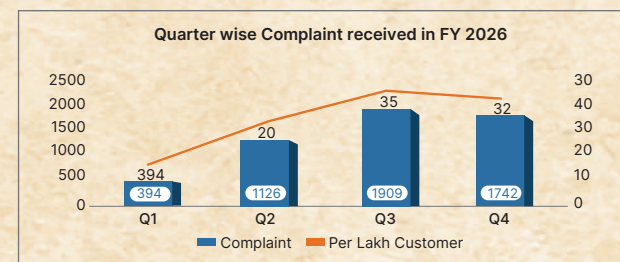
The customer care team also conducts outbound calls to assess customer satisfaction levels and also to get an insight into their needs from a credit and cross-sell perspective. In Fiscal 2026, we introduced chat-bot-enabled customer communication, including automated welcome calls and repayment-related reminders, to enhance customer engagement, improve operational efficiency, and ensure timely and consistent outreach.

Streamlined Grievance Redressal for Faster, More Accountable Resolutions

Arohan has significantly strengthened its Customer Grievance Redressal Mechanism with the introduction of a Directly Responsible Individual (DRI) for every grievance received. This structured accountability has driven tangible results, reducing the average Turnaround Time (TAT) from 4 working days in FY 2025 to just 3 working days in FY 2026, ensuring customer concerns are resolved swiftly and effectively.

To further reinforce responsiveness, Arohan has implemented a tiered escalation framework with Level 1 and Level 2 escalation paths. If a grievance remains unresolved within the defined timeline by the assigned DRI, it is automatically escalated to ensure priority handling and resolution—leaving no issue unaddressed.

This streamlined, technology-enabled approach reflects Arohan's deep commitment to customer centricity, where every concern is treated with urgency, transparency, and care. By embedding accountability at every step, Arohan continues to deliver on its promise of exceptional service and trust-driven relationships.



The key principles of Arohan's Grievance Redressal Mechanism are:

- Customers shall be treated fairly at all times.
- Complaints raised by customers are dealt with courtesy and without undue delay.

- To enlist various types of convenient modes through which customers can register complaints.
- To define escalation levels in case a customer's complaint is not addressed at all or was not addressed satisfactorily.
- Customers are fully informed of avenues to escalate their complaints/grievances within the organisation and their rights to alternative remedies if they are not fully satisfied with the response of the Company to their complaints.
- All complaints are to be dealt with efficiently and fairly as otherwise, they can damage the reputation and business of the Company.
- Arohan's employees would work in good faith and without prejudice in the best interest of the customers.

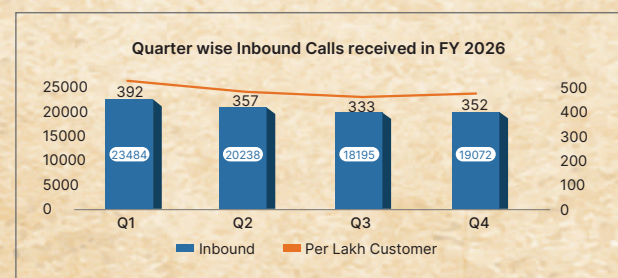
Inbound Process

At the heart of Arohan's Customer Grievance Redressal Mechanism lies a well-structured and responsive Inbound Process, designed to ensure that every customer concern is addressed with urgency, empathy, and efficiency.

Arohan offers multilingual Customer Care, enabling seamless communication for customers across diverse regions. Our IVR system supports 8 Indian languages, enhancing accessibility for customers and providing better support for field officers in their daily operations.

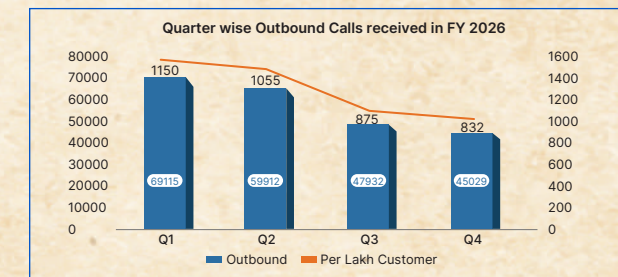
When a customer raises a complaint or query, it is first addressed by either the Customer Service Representative or the Branch Head. If the matter remains unresolved, customers can escalate their concern through the toll-free number 1800 103 2375, where it is directed to the Customer Care Helpdesk. From there, a structured escalation matrix is automatically activated, ensuring the issue is efficiently routed through defined levels of resolution, up to the Nodal Officer if necessary.

An integrated, workflow-based routing system supports this process, enabling systematic tracking, timely follow-ups, and comprehensive resolution of each case. This proactive and tech-enabled approach reflects Arohan's unwavering commitment to transparency, accountability, and customer satisfaction, reinforcing the trust placed in us by our valued clientele.



Outbound Process

The customer care team also conducts outbound calls to assess customer satisfaction levels and also to get an insight into their needs from a credit and cross-sell perspective. In FY 2026, we introduced chat-bot-enabled customer communication, including automated welcome calls and repayment-related reminders, to enhance customer engagement, improve operational efficiency, and ensure timely and consistent outreach.



Ratings & Gratings

The following rating and grading achievements reaffirm Arohan's continued focus on building a sustainable, scalable, and socially responsible business model, strengthening its position as one of India's leading microfinance institutions.

CARE MFI 1 Grading: Arohan retains the highest-rated MFI 1 grading from CARE Ratings for the eighth consecutive year in its assessment held in FY 2026. The grading is assigned on an 8-point scale with MFI 1 being the highest, enabling Arohan to retain its position among the choicest MFIs in India.

Code of Conduct Assessment (COCA): Arohan retains the highest-rated C1 grading for the eighth consecutive year. The top-notch grading has been awarded to Arohan by CARE Advisory Research and Training Limited (CareEdge Advisory). The score of 93% have been earned on indicators concerning Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal, and Data Sharing.

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE

One of our key missions is to advance financial inclusion for underserved and low-income communities. While our core business focuses on providing micro-loans to empower women, promote entrepreneurship, and enhance livelihoods, our Corporate Social Responsibility ("CSR") initiatives extend this social mission by working to create measurable and sustainable impact in the communities we serve.

Our CSR philosophy is aligned with our mission of fostering inclusive growth and addressing key social, environmental, and economic challenges faced by vulnerable communities. Our initiatives are designed in alignment with the United Nations Sustainable Development Goals ("SDGs") and aim to complement our social business model by addressing structural barriers in areas such as financial literacy, healthcare, education, environmental sustainability, and community resilience. In compliance with the requirements of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility) Rules, 2014, our Board have constituted a Corporate Social Responsibility ("CSR") Committee pursuant to which we carry out various CSR activities.

Key Focus Areas

a) Financial Literacy and Inclusion:



Recognising that financial awareness is critical to empowerment, we undertake structured programmes to educate women, micro-entrepreneurs, and rural households on topics such as financial planning, savings, budgeting, and responsible borrowing. These initiatives aim to strengthen financial resilience and enable informed decision-making among underserved populations. Through a targeted Financial Literacy Programme launched in West Bengal, in collaboration with AMFI-WB, Arohan equipped 3780 women with essential financial knowledge and skills.

b) Youth Entrepreneurship and Entrepreneur Investing Programme:



We support local entrepreneur and students at government school to support entrepreneurship



among school and college students by introducing them to innovation. Designed to help regional entrepreneurs scale their ventures through structured mentorship and guidance.

c) **Disaster Relief:**



We are committed to providing timely assistance during natural disasters such as floods, cyclones, and droughts. Our disaster relief measures include distribution of essential supplies food, water, medicine, and hygiene materials to affected households, helping communities recover and rebuild.

• **Hearing Screening & Early Intervention:**



In partnership with VAANI Deaf Children's Foundation, Arohan has launched an initiative aimed at the early identification of hearing impairments in newborns. In FY 2026, the programme screened over 3,900 newborns across West Bengal, Meghalaya and Assam, enabling timely medical intervention and critical support. Parents also received counselling and guidance to help them understand and manage their child's condition.

• **General Health Check-up Camps:**



To improve access to preventive healthcare, Arohan, in collaboration with its partners, launched massive health check-up camps. In FY 2026, the initiative conducted more than 100 health camps across 10 states, serving over 16,970 beneficiaries. These camps offered free medical screenings for common conditions like hypertension and diabetes, along with doctor consultations, and distribution of essential medicines. In addition to diagnostics and treatment, the camps focused on raising awareness about hygiene, nutrition, and disease prevention, thereby empowering underserved populations to make informed health choices.

Impact

Since the inception of our CSR journey in 2016, we have **positively impacted more than 9,00,000 beneficiaries.** Through sustained focus on financial literacy, healthcare, education, environmental sustainability, and community development, our CSR initiatives continue to strengthen community resilience and promote inclusive, long-term socio-economic progress.



STEADY HANDS BEHIND EVERY

Step Forward

Systems, controls, and processes for sustainable growth

At Arohan, quality is more than a benchmark, it is the foundation of customer trust and sustainable progress. Guided by the three pillars of Credit Underwriting, Risk Management, and Internal Audit, we ensure that every decision, process, and product is built on integrity, transparency, and customer protection.

Our robust quality framework helps balance growth with responsibility, safeguarding portfolio health while delivering fair and reliable financial services. By strengthening controls, managing risks, and ensuring compliance across operations, we create a secure environment that enables customers to move forward with confidence and build a stronger financial future.

CREDIT

Arohan's Credit Team is committed to minimizing credit risk while ensuring sound decision-making in loan origination. Our Credit function has two sub-verticals, organic credit and inorganic credit. These credit verticals manage the credit quality of our diversified business model.

Organic Credit

Our organic credit function focuses on minimizing the probability of default through well-structured credit underwriting policies, processes, and strategic interventions, which are categorized into three main components,

namely, credit policy formulation, credit administration and credit underwriting.

1. Credit Policy Formulation

We create guiding principles that balance our business growth aspirations with our risk appetite. Policies operate on three levels: Customer, Market or Branch, and Product. At the customer level, we assess borrowers' repayment capacity by examining household income, expenses, existing obligations, credit history, and past behaviour, adhering to RBI guidelines and our internal benchmarks.



Our strategic decisions for expansion or consolidation at the Market or Branch Level are based on comprehensive secondary data analysis, monitoring performance indicators like early PAR of 6 months and 12 months to identify geographic challenges. At the product level, we customize financial products for diverse client profiles, such as *Saral* loans for low-income female borrowers, *ArohanPrivilege* loans for customers with credit history and MELs for small entrepreneurs, each with specific eligibility criteria. Our Credit Committee oversees the credit policies, ensuring they are formulated through extensive deliberation among key stakeholders.

2. Credit Administration

We apply credit policies through a dual approach that includes a technology-enabled rule engine and field-level physical processes. Each product is governed by specific credit policies integrated into our loan origination system, allowing field officers to make real-time decisions. To gather essential information about applicants' financial situations, we employ rigorous verification methods, including site visits and personal discussions. To mitigate risk arising from expansion and portfolio concentration, we follow a standard operating procedure called '*Vistaar*', ensuring a structured approach to geographical growth, along with quarterly reviews of portfolio concentration against board-approved limits.

3. Credit Underwriting

Arohan's Credit Underwriting process is committed to minimizing credit risk while ensuring sound decision-making in loan origination. To achieve this, the team has implemented a comprehensive three-layered Credit Underwriting Process, which includes:

1. Credit Rule Engine Embedded in the Loan

Origination System (LOS) Arohan's Credit Committee serves as the ultimate custodian of credit policies, developed through extensive deliberations with key stakeholders. Policies are guided by RBI Master Directions on Microfinance, SRO guidelines, MFIN guidelines, industry practices, and market-specific portfolio quality. For each product, the Credit Committee determines the credit instruments and benchmarks, which are then published as Credit Circulars.

2. Field-Level Credit Appraisal

Acknowledging the inherent challenges in verifying income and savings of microfinance borrowers, Arohan emphasizes physical verification conducted by Sourcing Customer

Service Representatives (CSRs) and cross verification by Branch Heads (BHs). This includes on-site visits to the borrowers' residences or workplaces, where detailed demographic, economic, and credit behavior data is collected. The information gathered forms the foundation of the Household Income Assessment and the calculation of the Fixed Obligation to Income Ratio, both of which are integral to the microfinance loan decision-making process as per the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025. To ensure consistency and accuracy, CSRs and BHs undergo continuous training and refresher sessions focused on effective Customer Due Diligence (CDD) and Personal Discussions (PD).

3. Quality Checking of KYCs and Borrower Credentials

The cornerstone of any successful loan appraisal is establishing the borrower's identity. The process begins with e-validation of KYC documents, which helps confirm key details such as residential address, Credit Bureau reports, and bank account information. All loan applications sourced by the field team are reviewed by a central hub team for quality of documents uploaded. The team verifies and matches the documents submitted for the borrower and co-borrower with the details in the loan application form. The details in the voter's ID card are validated from the EPIC portal, and the bank account details are validated by a penny less drop test. Our Company also uses AI-enabled applications to identify potential manipulation or tampering in documents submitted by customers. The central hub team also checks the live image of the customer uploaded with the ID documents and image of the customer with Branch Head during cross verification as a part of the underwriting checks. When all these data points align, the chances of incorrect borrower selection are minimized. Due to the critical nature of this step, the process is centrally managed, independent of business influence, ensuring unbiased judgments.

Through this three-layered approach—combining automated rule-based checks, field-level verification, and stringent KYC validations—Arohan strives to optimize credit risk management. This reduces the cost of credit while maintaining the highest standards

of customer protection and financial inclusion. To further contain our credit cost, the company has also enrolled in the Credit Guarantee Fund for Micro Units (CGFMU) scheme, which is sponsored by the Ministry of Finance. Under this scheme, the Company has to bear the first 3% of loss and will then receive 75% of the balance which effectively is 72.5% of the outstanding. As of March 31, 2026, 69% of our eligible portfolio is covered under this scheme.

Inorganic Credit

Our inorganic business was established with the objective of pursuing a low operating-expense and low credit-cost model, focused on deploying debt capital to small and medium-sized non-banking financial companies. Our target borrowers primarily comprise NBFC-MFIs that are members of recognised self-regulatory organisations and other registered NBFCs. Our corporate exposures are structured through term loans, direct assignments, and sourcing and collection arrangements. The inorganic credit function operates under a structured credit appraisal framework approved by the Inorganic Credit Committee, which sets out appraisal standards for both quantitative and qualitative assessment parameters.

In evaluating corporate borrowers, we assess the overall risk profile by considering factors such as industry-specific risks and prospects, the borrower's financial position through analysis of audited financial statements, historical performance, capital-raising capability, cash flows and capital adequacy, geographic concentration, portfolio-at-risk ("**PAR**") trends, collection efficiencies validated through banking records, the borrower's competitive position, operational efficiency and quality of management. As part of our due-diligence process, on-site visits are conducted for new corporate borrowers by members of the credit team and/or business team.

For unsecured micro-enterprise loans, the Inorganic Credit Committee oversees credit policies, ensuring that they are formulated following detailed deliberation among key stakeholders. Credit appraisal in the MEL segment involves a structured evaluation of the borrower's credit history, fixed obligations, business stability and cash flows, household income and bank-statement analysis, including assessment under a fixed-obligations-to-income ratio ("**FOIR**") framework. All KYC requirements are verified in compliance with applicable regulatory guidelines. This appraisal is further strengthened through a two-level physical verification of the borrower's business premises, initially by the field officer and subsequently cross-verified by the respective

branch head. Final loan sanction is subject to a real-time video personal discussion conducted by our centralised credit underwriting team, providing an additional layer of validation prior to approval or rejection. Given that this segment operates within the MFI-plus category, we adopt a balanced approach combining objective metrics and qualitative judgement to assess borrower creditworthiness and business viability.

In addition, our team continuously monitors portfolio performance and provides periodic updates to management and the Board on key credit developments, supporting strong governance, ongoing oversight and adherence to our risk-management standards.

RISK MANAGEMENT

Over the years the Risk Management function has evolved at Arohan in line with Regulatory mandates and stakeholder expectations. Risk management oversight is therefore, spread across all functions in the Company, in the light of the changing business and economic environment, especially in the microfinance segment in the year FY 2026. The Business & Risk strategies that were deployed not only ensured that Arohan remained well-prepared for facing and mitigating challenges throughout the financial year.

The Risk Management function of the Company is led by the Chief Risk Officer and has independent reporting to the Risk Management Committee of the Board of Directors, headed by an eminent Independent Director, with regular administrative guidance from the Managing Director of the Company.

The first half of the financial year of FY 2026 has been challenging for the microfinance sector. This was in the backdrop of adverse impact on portfolio quality across the sector owing mainly to aggressive funding practices in the post Covid-period, sluggish rural economy, geo-politics and other socio-political headwinds. Availability of liquidity to the sector remained a challenge with lending institutions slowing on advances to the sector impacting growth and money supply to the microfinance customers. The overall microfinance Industry shrunk in the first half of the year and then recovered in the second half. Overall, the sectoral numbers reflected lower largely due to a few very large players moving their Credit Bureau reporting of some segment of microfinance customers from Microfinance to Retail.

Our SRO, MFIN's Guardrail 2.0 became effective in Q1 of FY 2026, which capped level of indebtedness & number of lenders. The factors of Guardrail's credit discipline adopted by and large by the sector and backed by reduction of GST, well spread normal monsoons in Arohan's geographies



& robust spending during the festivals have largely led to a smart recovery of the microfinance sector, especially reflected in the performance of portfolio sourced in FY 2026. Industry data indicates that Regular bucket retention rates of major players are in excess of 99.5% in Q4 of FY 2026.

The only dampener came in the form of the middle-East crisis which has driven up oil prices, which in turn will likely have an impact on the sector through inflations & moderate the growth of India's GDP in the medium term.

Risk Analytics & Practices

Arohan continued the strengthening its incisive Risk Analytics, enhancing capabilities using various statistical tools, large data processing software, and visual analytic tools such as Python, R, and Tableau. This reinforces the position of Arohan's risk management unit to provide sector-leading, critical, rationale-driven business intelligence inputs to the management and the stakeholders. Such inputs and insights enhance the Company's strategic planning capabilities and provide key actionable for the Management.

Arohan has acquired the license of a machine learning based modelling platform, Knowledge Studio, which strengthens Arohan's existing inhouse capabilities and deep domain knowledge of statistical modelling, predictive and forecasting expertise. These meticulously acquired skillsets and expertise has been widely appreciated and commended by various stakeholders including investors and regulators.

a) Credit Risk Management

Arohan's proprietary microfinance specific acquisition scorecard 'NIRNAY', has been upgraded with the renewal & data refresh through "NIRNAY 2.0". Modelling NIRNAY along with Arohan's expertise in forecasting science ensured that Arohan was able to fully satisfy various auditors' and most importantly the RBI's risk pricing audits & scrutiny throughout the year with zero comments or observations. Building on these strengths, NIRNAY 2.0 has been built using Knowledge Studio which will ensure that Arohan continues to optimise Risk based pricing strategies & provision planning of the future.

b) Operational Risk Management

Arohan's proprietary Branch Risk (BRisk) assessment algorithm refreshed during the year, continued to proactively provide visibility of operational risks to the business team for effectively assessing operational risk all the way to the frontlines' operating unit, the branches. The BRisk Grading of the entire Company at all levels up from the Branches provided the Business

team, the Management and the Board of Directors with an impartial assessment of the operational health of Arohan's active branches while indicating potential emerging risks. The overall BRisk grade trends of the Company has positively demonstrated a higher than normal risk environment in the first half of FY 2026. The second half ratings reflected a steady improvement of the operational risk profile of Arohan. Operational Risk Management is expected to come under enhanced focus in RBI's Operational Risk regulations & guidelines in FY 2026 with revised, updated & consolidated guidelines of November 28, 2025.

c) Enterprise Risk Management

Arohan has been proactively working on the microfinance sector-specific ERM structure for a while now. That foresight started bearing fruits in FY 2026, with the Reserve Bank of India actively encouraging systemically important NBFCs, during their regular audits for the deployment of Enterprise Risk Management (ERM) systems. ERM is a globally well-established framework for effectively optimising Risk vis-à-vis Return, and providing accurate and insightful visibility on all inherent risks inherent during the functioning of an organisation. As a mandate for the Risk unit, Arohan initiated the implementation of the Enterprise Risk Management (ERM) project using the COSO framework. Christened SANDESH, the project has made significant progress with the platform that was completely developed inhouse. The platform is already operational with the respective Risk Owners approving the risk registers along with their controls and thresholds. Arohan is again the first in the sector for the development of ERM in true letter and spirit.

Business Continuity Policy (BCP)

Arohan's deployment and practice of Business Continuity Plan (BCP) was led and anchored by the Risk unit, which was also audited by the Reserve Bank of India and was found to be satisfactory. The implementation of the Business Continuity Policy and Plan of the Company has led to a well-established BCP process backed by well-trained BCP committees and stakeholders. The company continues to be 'Business as Usual' with the least disruptions during events of calamities and other disruptions during the year. The Risk unit will continue to strengthen and anchor this important regulatory requirement for the Company.

Appointment & Reporting of CISO

In 2024, Reserve Bank of India through its circular titled Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices had directed

for detailed compliance across Information technology practise & control and cyber security preparedness, cyber crisis management & mitigation plans. In line with one of the key directives in the said circular is the definition & scope of the role of a Chief Information Security Officer (CISO) with reporting lines to the Chief Risk Officer. In compliance to the said circular, a General Manager cadre officer has been appointed as a CISO in Arohan with effect from April 1, 2024 to bring in the desired focus & actionable regarding information technology and cyber security risk management. An independent vCISO consulting team has been delivering robust performance in terms of monitoring & reporting of information security aspects. Arohan has deployed a monitoring tool named, Secveil, which monitors & reports exceptions of all end points. The vCISO also undertakes monitoring the identified cyber-attacks & potential exploits from Web Application Firewall (WAF) attack reports, Security Operations Center (SOC) raised incidents on SIEM tool indicators and AWS Guard Duty services findings. Arohan put together a robust oversight structure under the CISO to ensure better Information Security preparedness at Arohan.

INTERNAL AUDIT MANAGEMENT

At Arohan, the Internal Audit function serves as a cornerstone of organisational integrity, playing a vital role in protecting customer interests through the promotion of transparency, accountability, and robust governance. By providing an independent assessment of internal controls, governance systems, and risk management practices, the team upholds the reliability of the entire organisation. This systematic and disciplined approach is designed not only to enhance operational efficiency but also to fortify the trust that customers place in the company.

To ensure a completely unbiased and thorough review process, the Internal Audit department operates with full independence, reporting directly to the Audit Committee of the Board. The Audit Committee maintains active oversight by regularly evaluating the department's staffing, audit plans, and overall structure, thereby reinforcing Arohan's commitment to safeguarding customer confidence.

Strategic Role and Regulatory Compliance

The Internal Audit function acts as a strategic partner to Arohan's management, offering insights that strengthen internal defences and enhance governance practices. A key component of this strategic alignment is the department's adherence to the Reserve Bank of India's (RBI) Risk-Based Supervision (RBS) framework. Specifically, Arohan follows the guidelines outlined in the RBI's February 3, 2021,

circular regarding "Risk-Based Internal Audit (RBIA)" for large non-deposit-taking NBFCs.

In addition to these sector-specific regulations, the function ensures compliance with the broader governance requirements of the Companies Act, 2013, and adheres to the professional Standards and Guidelines prescribed by the Institute of Chartered Accountants of India (ICAI). These collective efforts support high levels of regulatory compliance while promoting the transparency and resilience necessary for long-term organisational integrity.

Professional Expertise and Multidisciplinary Strength

Arohan's Internal Audit team is characterized by deep expertise and a multidisciplinary skill set, which allows for high-quality assessments across various operational areas. The professional composition of the team includes:

- 2 Chartered Accountants (CA).
- 2 Certified Information System Auditors (CISA).
- 1 Certified Internal Auditor (CIA).
- 10+ MBAs who operate across both headquarters and field operations.
- 2 Lead Auditors certified in ISO 9001:2015 and ISO 27001.

This robust mix of technical precision and strategic perspective enables the team to navigate complex audit challenges effectively. Furthermore, Arohan actively champions diversity and inclusion within this critical function. Currently, the team includes seven women professionals, with ongoing initiatives to further increase female representation. This commitment is part of a broader vision to foster gender equity and build a forward-thinking audit environment where women leaders are empowered.

Commitment to Quality Certification

Quality and operational excellence are fundamental to Arohan's audit practices, as evidenced by its history of ISO certifications. In FY 2020, the Internal Audit function was awarded the ISO 9001:2015 certification by the British Standards Institution (BSI). This certification recognizes the department's adherence to internationally accepted quality management standards. The validity of this certification was extended for another three years in February 2023 following a successful surveillance audit, demonstrating a dedication to continuous improvement.

Building on the success of the audit-specific certification, Arohan achieved a significant milestone in FY 2025 by securing the ISO 9001:2015 Certificate of Registration



for the entire organisation. This achievement confirms that the company has implemented a process-driven working system aligned with global Quality Management System (QMS) standards. It reflects a steadfast focus on maintaining clearly defined processes and delivering consistent, high-quality services to enhance the customer experience.

Infrastructure and Technological Integration

Effective auditing in the microfinance sector requires a balance between technical expertise and on-the-ground operational insight. To meet this need, Arohan has established a substantial infrastructure comprising approximately 200 skilled auditors deployed across its operational regions. These professionals undergo a rigorous screening process and receive targeted training and development to remain adept at evaluating dynamic business environments.

By the close of FY 2026, the function reached a significant operational scale, auditing over 1,000 branches every quarter. This coverage spans all major business verticals, including:

- Microfinance.
- Micro Enterprise Loans.
- Arohan Privilege technology based Lending.
- Sourcing and Collection (S&C)
- Term loans and Direct assignments.

Notably, both Microfinance and S&C branches maintained 100% audit coverage throughout the year, underscoring a rigorous commitment to service integrity.

To drive efficiency, the department utilizes a real-time, web-based **Audit Management System (AMS)** developed with the in-house IT team. The AMS enables systematic documentation, real-time monitoring, and the prompt resolution of findings. This was further bolstered in 2023 with the rollout of a **Fraud Management System (FMS)**, which enhances the tracking and documentation of potential fraud across all stakeholder touchpoints. Together, these digital tools support a culture of transparency and operational resilience.

Data Analytics and Audit Methodology

The integration of data analytics has significantly enhanced audit effectiveness at Arohan. The dedicated Data Analytics team provides exception reports, Management Information Systems (MIS), and analytical inputs that offer valuable leads for field verification. These insights empower management to proactively strengthen internal controls.

Arohan employs a comprehensive three-pronged audit methodology to review business functions:

1. **Field Processes:** A focus on the verification of collection and disbursement processes.
2. **Back-End Activities:** An examination of administrative processes and documentation to identify deviations.
3. **Customer Contact:** A cross-check of systems that directly influence customer behavior and interactions.

Branches are audited quarterly and assigned a grade based on their scores and observations. Additionally, branches undergo either regular or “snap” audits on a half-yearly basis. Snap audits are specifically designed to target high-risk areas with short turnaround times for rapid issue detection. Support functions, such as IT, HR, Finance, Compliance, and Central Operations, are audited at least twice per year. All formal reports are submitted to the Audit Committee quarterly to ensure consistent board-level oversight.

The Vigilance Function

To further safeguard the organisation, Arohan established a Vigilance Department in FY 2021. Led by an experienced ex-serviceman with expertise in security and investigative operations, this department focuses on conducting thorough investigations into major fraud cases. The Vigilance team also serves as a liaison with local government agencies to obtain necessary external support.

The Vigilance Department works in close coordination with the Internal Audit team. Together, these two functions serve as the cornerstone of Arohan’s commitment to integrity, security, and sustainable business growth, ensuring that the organisation remains resilient in a complex financial landscape.

INFORMATION TECHNOLOGY

Arohan sets itself apart in the financial inclusion space through a future-ready, technology-first approach that places customer service and efficiency at its core. By continuously enhancing its IT infrastructure and embracing pioneering digital initiatives, Arohan has built a robust, agile ecosystem that empowers faster, more personalised, and seamless service delivery. These strategic investments in technology not only streamline operations but also enable smarter decision-making and deeper customer engagement.

Embracing a Commitment to Data Excellence

At Arohan, data excellence is at the heart of our technology-driven strategy to deliver superior customer service and maximize operational efficiency. By harnessing

cutting-edge technologies, we ensure that data is not only securely managed but also optimised to streamline processes and drive smarter, faster decision-making. Throughout FY 2026, we remained focused on evolving our digital infrastructure and automating key business processes—initiatives designed to boost efficiency, reduce operational costs, and ultimately serve our customers better.

Our commitment to safeguarding data integrity and system reliability is underscored by the prestigious ISO/IEC 27001:2013 certification awarded by the British Standards Institution (BSI). This globally recognised certification reflects our rigorous adherence to international standards for information security and management across all critical functions—including Human Resources, Finance, Risk, IT, and Compliance. It reinforces Arohan’s unwavering dedication to information security and operational excellence, building trust and transparency at every level of customer engagement.

With the assistance of selected technology vendors, we have built our technology platform into a business tool that helps us to maintain consistent levels of customer service, enhance our operational efficiency and create sustainable advantages for our organisation. We have adopted technology-based lending platform for microfinance customers, enabling eligible existing and new customers to undertake loan application, approval and repayment processes through our proprietary mobile application, ‘*ApnaArohan*’.

Streamlining operational excellence is fundamental to our mission of serving approximately 19.8 lakh customers’ credit needs as of March 31, 2026. Our IT infrastructure captures over 400 data points per customer and facilitates an average of more than 150,000 transactions daily through our reliable loan management system. To empower data-driven decision-making, we have developed a comprehensive data warehouse designed for business intelligence and analytics. This initiative provides dynamic dashboards and insightful reports that are accessible to both field personnel and management, thereby enhancing operational efficiency and supporting informed strategies.

Central to our mobile-first approach is equipping all field employees with reimbursement for purchase of mobile or tablet devices, ensuring seamless virtual connectivity with customers. Additionally, we have adopted a ‘Bring Your Own Device’ policy, allowing employees to use their personal devices for work purposes. Our investments in information technology have led to the development of automated and digitalized platforms that improve operational efficiency through enhanced controls and regulatory framework. We extensively utilize cloud

technologies to maintain strong customer engagement and enhance employee productivity.

Key tools and platforms we currently deploy include:

- a) ‘*Profile*’, an automated CBS that manages our lending operations;
- b) ‘*MeraArohan*’, an all-in-one mobile application suite for essential business functions, such as (a) group recognition tests with customers held by branch head, (b) real time Credit Bureau checks for customer indebtedness, automatic maximum loan size advice, upload of KYC documents by scanning the physical document, (c) loan utilisation check by a customer service representative, (d) records of repayments and customer attendance at centre meetings, and (e) cross verification of a customer’s application by branch head;
- c) ‘*ApnaArohan*’, a customer-facing mobile app facilitating rapid loan applications;
- d) Quality checks of customer documentation through our ‘*Central Hub*’;
- e) ‘*Penny less*’ test to verify the active status of a bank account and authentication of the same;
- f) *eKYC* to ensure that the real identity of the customers is verified at the time of onboarding;
- g) ‘*e-signature facility*’, which allows customers to initiate the KYC authentication process, e-sign loan documents, along with geo-tagging of customer locations and liveness image checks;
- h) Digital repayment using facilities from PayU Payments Private Limited, Axis Bank Limited and through POS machines. We have also partnered with Airtel Payments Bank Limited and Spice Money Limited so that our customers can repay their loans in cash at such merchant outlets; and
- i) Cashless transfer of the loan amount into a customer’s bank account. As of March 31, 2026, all disbursements have been cashless.

Other technology platforms and applications which support our business operations and functions are:

- a) ‘*Sanjaya*’ to monitor the field staff activities with geotagging and time stamps.
- b) ‘*Audit Management System*’ inhouse application that is used by Internal Audit team for audit management.
- c) ‘*Adrenalin Max 2.0*’ for different HR functions such



as attendance, payroll, performance management, recruitment and hiring.

- d) 'Trackwizz' for AML related activities.
- e) 'ApnaBazaar' for cross-selling products.
- f) 'Disha' - A search bot enabled for text and voice has been introduced in our dashboard landing page.
- g) 'Arohan Social' - an application to promote employer-employee collaboration to increase connect, productivity and retention.

Our commitment to digital service delivery mechanisms enhances operational efficiency and facilitates data analytics, which drive targeted customer profiling and personalized product offerings with risk-based pricing. This integration of technology spans the entire loan lifecycle, from branch area selection to loan origination, data validation, quality assurance, and repayment monitoring. For instance, we utilize analytics from CRIF High Mark to evaluate portfolio quality and market competition when expanding into new territories. The loan origination process is streamlined through *MeraArohan*, which enables real-time credit bureau checks and provides automatic guidance on loan amounts while conducting essential group recognition tests prior to onboarding.

The entire loan cycle is managed through our CBS, *Profile*, which ensures real-time repayment and delinquency monitoring. We offer various digital payment options, including QR codes, AEPS, and digital wallets, allowing for convenient repayment methods without reliance on cash. Moreover, we have implemented a cloud-based customer relationship management system to maintain seamless operations during disruptions, enhancing our responsiveness to customer queries. We advocate for safe and ethical technology use, alongside environmentally friendly recycling practices for end-of-life digital products.

AI Enhancements

Moving forward, we plan to invest in AI tools to further enhance customer experiences and optimize operational efficiency. Looking ahead, Arohan is poised to make significant investments in Artificial Intelligence (AI) tools as part of our ongoing digital transformation. This strategic move is designed to elevate customer experiences, drive personalisation, and optimise operational efficiency through innovative technology.

Arohan is excited to announce the launch of our new AI-driven Assistant in BI Dashboard, designed to make data access and analysis faster and more intuitive for everyone

The enhanced solution is powered by Google Gemini and enables users to interact with the dashboard using

natural language. Simply ask a question in any language, and the system will retrieve the relevant data and present the results within the dashboard.

Arohan has consistently been at the forefront of digital innovation within the microfinance sector. Our mobile-first approach, cloud-based CRM system, seamless cashless transactions, data analytics capabilities, e-signature integration, and facial recognition technologies are just a few examples of how we're leveraging technology to enhance both customer service and operational efficiency. By combining these digital solutions with our commitment to sustainable practices, Arohan is paving the way for a future-ready organisation, ready to lead the microfinance industry into a more efficient and ethical future.

AROHAN'S DIVERSIFIED LIQUIDITY STRATEGY

Arohan's proactive and diversified liquidity strategy helps the company navigate industry headwinds and support customer-centric growth. Despite sector-wide challenges, Arohan remains committed to efficient liquidity management and inclusive financial services for underserved communities.

FY 2026 has been a significant year for Arohan with total asset and gross portfolio at INR 8,220 Cr and INR 7,426 Cr respectively.

Arohan closed the year with the following key financial results, as follows:

- Total Revenue stands at INR 1,552 Cr.
- Pre-Provisions Profit before Taxes stands at INR 467 Cr shows strong business model fundamentals.
- Improved retained earnings along with increased Equity Capital base have resulted in healthy CRAR at 27.61%
- Net worth stood at INR 2,158 Cr.

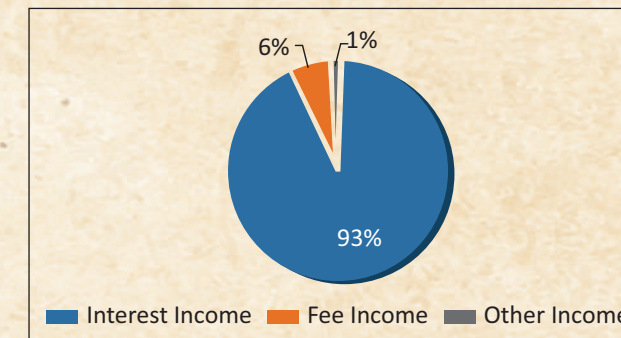
While Arohan's branch network stands at 1069 as on March 31, 2026 while the branch count was 1102 on March 31, 2025. Our employee strength stood at 9,654 at the end of March 2026 while the same was 10,252 at the end of March 2025. The company ensured a comfortable fund position throughout the year to support its business. As on March 2026, the borrowing outstanding was close to INR 5,900 Cr.

An analysis of the organisation's financial performance for the FY 2026, as compared to the previous year, is given below:

INCOME STATEMENT ANALYSIS

Revenue

a) Break-up of Revenue for FY 2026



Revenue has de-grown marginally by 8% from FY 2025 to FY 2026 which was mainly due to de-growth in average AUM during the current financial year over the previous financial year.

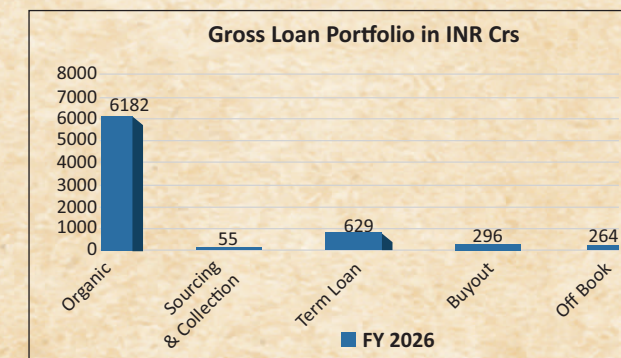
Expenditure

Interest expenses have decreased by 17 % y-o-y while the outstanding borrowings have increased by 26% in FY 2026 over FY 2025. With the employee count decreasing from 10,252 in FY 2025 to 9,654 in FY 2026, employee costs marginally increased from INR 389 Cr in FY 2025 to INR 396 Cr in FY 2026 due to increased field incentive resulted from increased disbursement. The administrative costs have increased by 17% from the previous year in mainly due to provisions for CGFMU in line with increased disbursement.

Ratios	FY 2026	FY 2025	Variance
Yield	22.57%	23.71%	-4.81%
Finance cost	10.59%	11.52%	-8.07%
Qualifying assets	66.22%	75.90%	-12.75%
Opex	9.02%	8.00%	12.75%
CRAR	27.61%	34.09%	-19.01%
Leverage	2.73	2.32	17.67%

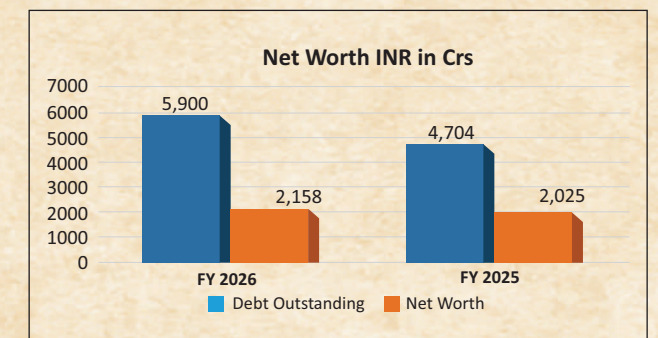
BALANCE SHEET ANALYSIS

a) Loan Portfolio



Arohan had a 24% growth in the Gross Loan Portfolio from the previous year and stands at INR 7,426 Cr.

b) Net Worth & Outstanding Borrowings:



Outstanding borrowing has been decreased by 26% due de-growth in average AUM.

Funding Business Growth - Industry Context and Macroeconomic Environment

FY 2026 marked a period of strategic consolidation for the microfinance industry, once again demonstrating the sector's inherent resilience. Following external macroeconomic headwinds, such as the general elections, extreme weather conditions, and instances of customer overleveraging, the preceding FY 2026 concluded with relatively higher delinquency and Non-Performing Asset (NPA) levels.

In a proactive response to these challenges, the industry successfully implemented MFIN Guardrails 2.0 to restrict lending to delinquent and overleveraged borrowers. While this crucial intervention led to moderated disbursements and a 13% reduction in the industry's Gross Portfolio (from INR 3.75 lakh Cr in FY 2025 to INR 3.25 lakh Cr in FY 2026), it significantly improved overall portfolio health. Consequently, institutional lending to NBFC-MFIs experienced initial caution, with overall outstanding microfinance borrowings decreasing from INR 1.00 Lakh Cr in March 2025 to INR 0.96 lakh Cr by September 2025. However, as portfolio quality rebounded post-Guardrails 2.0, lender confidence was restored. This resulted in renewed funding momentum from banks and financial institutions, driving total outstanding industry borrowing to INR 1.09 Lakh Cr by March 2026, supported largely by non-bank financial institutions and a higher reliance on securitization instruments.

AROHAN'S FINANCIAL PERFORMANCE AND INTRINSIC RESILIENCE

Despite the broader industry volatility, Arohan navigated the fiscal year with exceptional financial discipline. Validating our robust operational foundation, the Company maintained its credit rating for borrowing facilities at ICRA A (Stable). Arohan closed the year with a highly competitive Capital Adequacy Ratio (CAR) of



27.61% and a conservative Debt-to-Equity Ratio of <3x. Furthermore, our Liquidity Coverage Ratio (LCR) stood at a robust 116%, reflecting prudent liquidity management and enduring financial resilience.

Strategic Fundraising and Debt Management

Leveraging our superior portfolio quality and strong corporate governance, Arohan maintained a formidable liquidity position throughout FY 2026. The Company successfully raised INR 5564 Cr in debt through a diversified mix of term loans, securitization, and assignment transactions. The company's robust performance significantly bolstered lender confidence, allowing Arohan to broaden its already strong lender base and secure new sanctions from esteemed institutions such as Punjab & Sind Bank Limited, CSB Bank Limited, Protium Finance Limited, Nabfins Limited, and Vivriti AMC Limited.

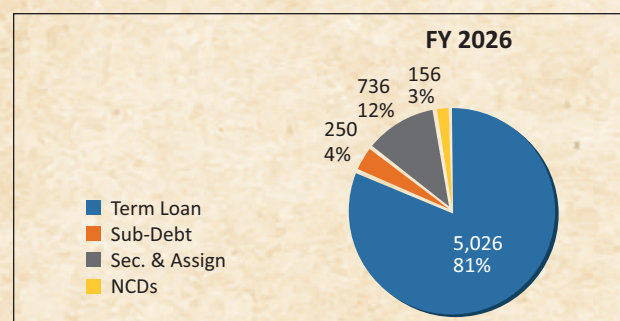
Crucially, by strategically replacing high-cost borrowing facilities with lower-cost alternatives, Arohan achieved a notable reduction in its overall borrowing cost, lowering it from 11.52% to 10.59% during FY 2026. As of the year-end, the Company's total outstanding borrowings stood at INR 5,904 Cr (excluding off-balance sheet borrowings of INR 270 Cr), anchored by our top lending partners: Axis Bank Limited, IDFC First Bank, HSBC Bank, and Standard Chartered Bank.

Liquidity and Investment Strategy

Arohan's approach to liquidity management remains both dynamic and highly secure. Throughout the year, we maintained a strong monthly liquidity buffer of ~ INR 1000 Cr, strategically diversified across various instruments. By year-end, total usable liquidity stood at a healthy INR 923 Cr, including Unencumbered Cash and Cash Equivalent, Investment in Debt Mutual Funds and Undrawn Sanctions, but excluding INR 324 Cr in government securities.

Further diversifying our investment strategy in FY 2026, Arohan initiated strategic investments in debt mutual funds. As of March 31, 2026, the total outstanding investment in debt mutual funds was INR 207 Cr of the year-end liquidity mix. To guarantee maximum financial flexibility, the Company additionally maintained undrawn sanctioned limits of INR 364 Cr.

The graph below depicts our borrowing mix as of March 31, 2026



Audited Financial 2026 & 2025

Statement of Profit & Loss (INR in Cr)	Audited	
	FY 2026	FY 2025
Revenue		
Revenue from operations	1,545	1,692
Other Income	7	4
Total Revenue	1,552	1,696
Expenses		
Finance costs	525	632
Impairment on financial instruments	304	398
Employee benefits expenses	397	389
Depreciation, amortisation and impairment	9	7
Other expenses	154	132
Total Expenses	1,389	1,558
Profit before tax	163	138
Total tax expenses	41	28
Profit after tax	122	110
Other Comprehensive Income	-0.03	-7
Total comprehensive income	122	103

Balance Sheet (INR in Cr)	Audited	
	FY 2026	FY 2025
ASSETS		
Financial Assets		
Cash and cash equivalents	331	436
Other bank balances	191	237
Trade receivables	14	8
Loans	7,007	5,705
Investment	536	363
Other financial assets	22	16
	8,101	6,765
Non-financial assets		
Current tax assets (net)	13	10
Deferred tax assets (net)	71	80
Property, plant and equipment	11	9
Intangible assets under development	-	0.29
Other intangible assets	3	4
Right of use asset	6	6
Other non-financial assets	15	11
	119	120
Total assets	8,220	6,885
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
Trade Payables	35	27
Debt securities	160	213
Borrowings (other than debt securities)	5,490	4,091
Subordinated liabilities	250	400
Other financial liabilities	74	73
	6,009	4,804
Non-financial liabilities		
Provisions	43	39
Other non-financial liabilities	10	17
	53	56
Equity		
Equity share capital	159	159
Other equity	1,999	1,866
	2,158	2,025
Total liabilities and equity	8,220	6,885



EQUIPPING HANDS TO *Create Impact*

Impact begins with
empowered people

At Arohan, we believe that when employees are equipped with the right skills, support, and opportunities, they can create meaningful change for customers, communities, and the organisation alike.

Our commitment to continuous learning and capability building ensures that every employee is prepared to grow, adapt, and excel in an evolving environment. Through structured training, leadership development, and a culture of knowledge-sharing, we strengthen the capabilities that drive performance and innovation.

Beyond professional growth, we invest in the wellbeing of our people by fostering a supportive workplace, enabling collaboration, and providing the infrastructure and resources needed to succeed. By taking care of our people and empowering our teams, we create the foundation for lasting impact.

Because at Arohan, every hand we equip becomes a hand that creates progress.

PEOPLE FOCUS

In FY 2026, Arohan's human resources strategy remained firmly centered on people, aligning workforce optimisation with our geographic expansion and the mainstreaming of our Micro Enterprise Lending and ArohanPrivilege business verticals. This year, we optimised our staff strength by 5.83%, reaching an employee strength of 9,654 employees, which indicates aligning the workforce strength with the actual business requirement.

Our commitment to nurturing talent from within was a key driver of this progress. A total of 504 employees were promoted or

transferred across departments, enabling them to broaden their expertise and take on new challenges. This strong focus on internal career development reinforces our belief that empowering people is essential to building a resilient and future-ready organisation. At Arohan, our people are our greatest strength. We continue to invest deeply in capacity building, career advancement, and competitive rewards and benefits. Our robust Employee Value Proposition is designed to create a workplace where trust, pride, and personal fulfilment thrive. By cultivating a culture rooted in collaboration, innovation, and growth, we are proud to be home to a vibrant and purpose-driven workforce.



HR Policy and Processes

In FY 2026, Arohan made significant strides in revisiting the HR policies and processes to align them with the New Labour Code and enhancing the employee experience.

These efforts were aligned with industry-leading practices and stringent information security standards, aimed at ensuring compliance, consistency, fairness, and operational excellence across the organisation.

As part of this initiative, a wide range of policies, including **Referral Policy, Confirmation, Exit Policy, Staff Loan Policy, Leave Policy, Working Hour and Attendance Policy, Tour and Travel Policy and the Arohan Code of Conduct**, were thoroughly reviewed and updated.

This comprehensive revamp has reinforced a culture of equity, transparency, and accountability at every level of the organisation. It has also provided Arohan with a cohesive and standardized HR framework, resulting in improved efficiency, better employee experience, and stronger alignment with organisational values and goals.

Employee Engagement Initiative

As part of our continued focus on strengthening employee engagement and fostering a sense of belonging, the following initiatives were undertaken in FY 2026:

- 1. Standardization of Engagement Calendar:** A structured and uniform engagement calendar was implemented across all locations to ensure consistency, better planning, and wider participation in employee-centric activities.
- 2. Employee Connects & Contests:** Roll out of regular employee connect sessions along with engaging contests designed not only for employees but also for their kids and families. These initiatives aim to enhance bonding, inclusivity, and overall engagement beyond the workplace.



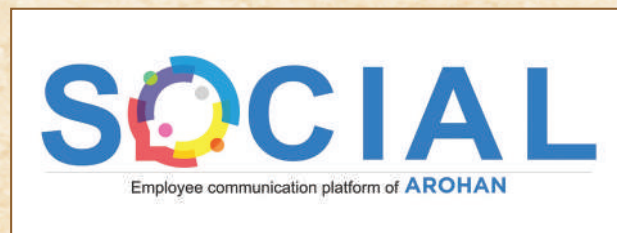
- 3. Muskan Ke Pal – Monthly Connect Programme:** *Muskan Ke Pal* serves as a flagship monthly engagement platform, bringing employees together through:

- Interactive and refreshing activities
- Open forums for connection and collaboration
- Virtual birthday celebrations to recognize and appreciate employees

This programme is designed to create a positive, inclusive, and vibrant work culture while strengthening emotional connect across teams.

- 4. SOCIAL, internal communication platform:** Arohan SOCIAL is an end-to-end communication platform for all the employees of Arohan. The app is designed to keep our Arohan family connected and informed like never before. This comprehensive platform offers a wealth of features, allowing employees to access the latest business updates, policies, notices, contest details, R&Rs, and many more - all in one place and in the language of their choice. The application is available in the employee portal - MeraArohan for both web and mobile versions.

By embedding automation across the employee lifecycle, Arohan continues to advance its **people-first** vision with a strong foundation in **efficiency, transparency, and innovation**. These initiatives not only optimize HR operations but also enhance employee satisfaction—ensuring that every touchpoint reflects the organisation's values of care, trust, and progress.



HR PRACTICES

Inclusive and Merit-Based Hiring

At Arohan, our hiring philosophy is rooted in the principles of equal opportunity, fairness, and meritocracy. We are committed to cultivating a diverse and inclusive workforce where individuals are evaluated solely on their skills, qualifications, and potential, regardless of age, gender, marital status, disability, nationality, or religion.

Our talent acquisition process draws from a broad spectrum of sources, including employee referrals, direct applications, and internal mobility, ensuring we identify and attract top talent from both within and outside the organisation. Each application undergoes a thorough and unbiased evaluation, reinforcing our dedication to building a workplace that reflects equity, opportunity, and excellence.

External Hiring:

Arohan is strongly committed to advancing gender diversity within its field workforce. Specific roles across departments are designated for women, underscoring Arohan's dedication to equity and inclusion.

In support of career continuity, Arohan also offers structured re-entry programmes for professionals returning from sabbaticals, helping them reintegrate and grow within the organisation. By leveraging industry-specific talent pools, Arohan ensures the recruitment of high-calibre candidates who bring fresh perspectives and diverse expertise.

To further strengthen its hiring strategy, Arohan operates an Employee Referral Programme, encouraging team members to recommend qualified candidates. This not only fosters a culture of ownership and collaboration but also enhances the quality and cultural fit of new hires.

Internal Hiring:

Arohan places a strong emphasis on nurturing internal talent. Through its Internal Job Posting (IJP) system, the Company promotes cross-functional career growth by providing employees with transparent access to opportunities across departments. This initiative supports job rotation, skills development, and long-term career progression.

The IJP framework is guided by a clear and inclusive policy, ensuring equal opportunity for all eligible employees. By prioritising internal mobility, Arohan empowers its workforce, strengthens organisational capability, and reinforces a culture of merit-based advancement.

Employee Onboarding at Arohan

At Arohan, onboarding is seen as much more than a formal process, it's the foundation for an employee's experience and success within the company. A thoughtfully designed onboarding journey not only accelerates engagement and productivity but also plays a vital role in long-term retention.

Aashirwaad Programme - Welcoming with Purpose: The *Aashirwaad* programme is a signature element of Arohan's field onboarding process. *Aashirwaad* includes families of our young field inductees in the onboarding experience, inviting them to participate in a ceremonial welcome for new probationary field officers. This unique initiative builds an emotional bridge between the employee, their family, and Arohan, fostering a sense of belonging and mutual commitment from day one. The result is a more

engaged workforce and stronger retention through early emotional investment.

Employee Selection Process: At Arohan, the employee selection process is meticulously crafted to ensure the right fit for every role. Anchored by our proprietary Competency Framework, we employ a diverse array of evaluation methods tailored to each candidate's level and position. For mid-level and senior roles, a panel of department heads conducts interviews, leveraging psychometric tools for comprehensive behavioral assessment. Junior candidates undergo online aptitude tests, while selection for the role of Customer Service Representatives incorporate psychometric evaluations focusing on Achievement, Motivation & Adaptability. In a first for Arohan, field employee selections include a mandatory one-day field visit and report submission, offering candidates a first-hand glimpse into our operations. Additionally, all entry-level field employees undergo an exhaustive month-long off-the-job and on-the-job training programme to equip them with the necessary skills before assuming their roles. This holistic approach not only facilitates informed decision-making but also aids in managing drop-out rates effectively. Simultaneously, candidates are encouraged to evaluate both the sector and the Company, ensuring alignment with our mission and values before onboarding commences.

Performance-Driven and Growth-Oriented Culture

At Arohan, we believe that career progression should reflect individual excellence, not just tenure. Our culture is rooted in performance and potential, where promotions are earned through demonstrated capabilities, consistent contributions, and readiness for greater responsibility. We take a holistic approach to employee development, ensuring that our evaluation process is not only rigorous but also supportive. It considers not just performance metrics, but also leadership qualities, emotional maturity, and the ability to thrive in evolving roles.

To further empower our people, Arohan actively promotes internal mobility through a transparent Internal Job Posting (IJP) system. This initiative encourages employees to pursue new challenges and higher roles within the organisation, providing a platform to grow, lead, and shape their own career paths. At Arohan, every individual is seen as a key driver of our collective success—and we are committed to nurturing that potential at every stage of their journey.



ADDRESSING THE UNIQUE NEEDS OF EMPLOYEES

Employee Benefits

- **Compensation:** Arohan has adopted a three-pronged approach for its compensation structure to cater to the unique needs of the different groups of employees:
 1. **For entry-level employees,** the approach focuses on ensuring more 'cash in hand' to meet their day-to-day expenditures, encouraging performance-linked incentive schemes
 2. **For middle management level employees,** the focus is on balancing the aspects of long-term Retirement benefits and cash-in-hand to meet their immediate requirements
 3. **For senior leaders,** the focus is on value creation through Employee Stock Option Plans and other tax-saving benefit schemes and variable pay, where the pay-out is dependent on the Company's profit.
- **National Pension System:** Arohan, in association with HDFC Life, has introduced the National Pension System (NPS), a voluntary tax-saving retirement scheme tailored for middle and senior management. NPS allows employees to have flexible control over their contribution amounts, ensuring a customizable savings plan for their retirement years. Contributions to the NPS are eligible for significant tax benefits, enhancing its appeal as a prudent financial planning tool.
- **Work from Home:** With Arohan being home to a diverse workforce, the facility of availing 2 days work from home in a month has been extended across levels, such that employees are able to balance work with commitments at the personal front.
- **Child Care Leave:** Being a mother can sometimes require a woman employee to take a few days off from their work in order to care for her child's needs. As working from home is not an option for female employees in the field, Arohan has introduced a Child Care Leave only for women employees in the field. A Child Care Leave (CCL) is granted for the specific purpose of taking care of a minor child for rearing or looking after its needs, including examination, sickness, etc. For Mothers coming back after ML will be given 4 days WFH in a month upto a maximum of three months.
- **Flexi Working Hours:** Non-field employees at Arohan are provided the privilege of flexi-timing with the employee clocking in the desired number of

productive hours (i.e., 8 hours of working and 1 hour of lunch break).

- **Avalamban Yojana:** A "Death Harness" policy providing financial support (50% of Basic Salary x 36 months), education support for 2 children (up to ₹1 Lac), and 3 years of medical cover for the family of deceased/disabled employees.

PRIORITISING EMPLOYEE HEALTH, SAFETY, AND WELL-BEING

At Arohan, the health, safety, and holistic well-being of our employees and their families are foundational to our values. We are deeply committed to fostering a secure and supportive work environment across all levels and locations of the organisation.

Safe and Respectful Workplaces: Safety at work begins with dignity and respect. Since 2016, Arohan has adopted a gender-neutral Prevention of Sexual Harassment (POSH) Policy and established both Central and Regional Internal Committees, including external members to ensure transparency and fairness. Every employee, regardless of role or location, undergoes mandatory POSH training during induction, with annual refresher sessions to keep awareness high and the culture of respect strong.

Promoting Road Safety for Field Employees: Our field employees are often on the move, serving customers on two-wheelers. Recognizing this, Arohan launched the *#YourLifeIsPrecious* campaign to promote road safety and instill a deep sense of personal responsibility. Guidelines are shared in local languages to ensure clarity and accessibility, and field employees share their experiences and best practices in our internal newsletter, Srishti, to foster peer learning and commitment to safe travel.

Safe Branch Environments for All: As our workforce grows increasingly diverse, especially with more women joining Arohan, we remain vigilant about creating safe branch environments. All-women and mixed-gender branches are equipped with CCTV surveillance and are



carefully selected to meet safety standards, reinforcing our commitment to providing a secure and inclusive space for every employee.

DIVERSITY, EQUITY AND INCLUSION

We are committed to fostering a diverse, equitable and inclusive workplace aligned with our business model and customer profile. Our focus areas include increasing women participation across managerial and leadership roles; ensuring equal opportunity employment practices across hiring, development and advancement; and maintaining a safe and respectful workplace supported by policies and governance mechanisms. We were recognized as a Great Place to Work for the fourth time, ranked among top 25 of India's best workplaces in BFSI 2024, and placed 35th among India's top 50 best places to work, 2024 and India's top 50 (Large) Best workplace for Women, 2024 by the Great Place to Work Institute, India.

Given that a significant majority of our customers are women, particularly under group-based microfinance models, women employees play a critical role in our business operations. We believe that female employees enhance customer engagement, trust and communication, support effective group formation and repayment discipline, and strengthen community connect, thereby contributing to portfolio quality and customer retention.

Key Interventions Driving Gender Diversity at Arohan

1. **Inclusive and Diverse Hiring Practices:** Arohan has introduced flexible hiring practices aimed at creating equitable opportunities for female candidates. These include:
 - **Age Relaxation & Career Gap Consideration:** We understand that career trajectories are not always linear, especially for women balancing professional and personal responsibilities. Our recruitment policies provide flexibility around age limits and consider career gaps, ensuring talented women professionals are not excluded due to non-traditional career paths.
 - **Women in Leadership:** We prioritise the recruitment of women into leadership roles, recognizing their potential as role models and catalysts for a more inclusive workplace.
 - **Inclusive Interview Panels:** To ensure fair and empathetic evaluation of female candidates, it is mandatory to include at least one female employee on interview panels, especially when hiring women. This helps foster a more inclusive

selection process that considers both technical fit and the broader work environment.

2. Implementing a minimum of two female employees per branch to reduce isolation and create a more supportive and secure work environment, especially in field/branch roles.
3. **Safe and Supported Travel for Women:** Understanding the importance of mobility and safety, Arohan provides:
 - **Upgraded Travel Reimbursements:** All female employees are eligible for a minimum of one-notch higher travel reimbursement, making their travel safer and more comfortable.
 - **Cab Services for Late Hours:** Women working beyond regular hours are provided with company-arranged cab services to ensure safe travel home.
4. **Confidential Grievance Redressal Mechanisms:** To reinforce our commitment to a respectful and secure workplace, Arohan has established specialized **Grievance Redressal Platforms**. These platforms are designed to handle sensitive and high-priority concerns with strict confidentiality and care, particularly in support of our women employees working in field operations.

KEY GRIEVANCE REDRESSAL MECHANISMS AT AROHAN

At Arohan, creating a safe, respectful, and ethically grounded workplace is a top priority. To ensure that every employee feels protected, heard, and valued, we have established comprehensive grievance redressal mechanisms that address concerns with sensitivity, transparency, and integrity.

1. Prevention Of Sexual Harassment (POSH) At The Workplace

Arohan has implemented a **gender-neutral POSH Policy** to safeguard the dignity and well-being of all employees, regardless of gender. The policy is supported by:

- A dedicated **POSH helpline** for immediate support and guidance
- A structured redressal mechanism that ensures fair, confidential, and timely resolution of complaints
- Well-trained Internal Committees, including external members, at both central and regional levels



This framework reinforces a workplace culture rooted in **respect, safety, and zero tolerance** for any form of sexual harassment.

2. Arohan Code of Conduct (ACOC)

The **Arohan Code of Conduct (ACOC)** and accompanying discipline rules define the ethical expectations and professional standards for all employees. These guidelines are designed to:

- Prevent workplace misconduct
- Promote accountability and fairness
- Encourage a culture of integrity and professionalism across the organisation

By setting clear boundaries and expectations, the ACOC supports a workplace environment where everyone can perform and collaborate with trust and mutual respect.

Through these mechanisms, Arohan demonstrates its unwavering commitment to employee **well-being, safety, and ethical conduct**. Our goal is to ensure that every team member—across every level and location—feels supported, protected, an empowered to speak up without fear.

TRAINING & DEVELOPMENT: EMPOWERING PEOPLE, ENABLING PROGRESS

At Arohan, we recognise that employee development is not just a function—it is a strategic driver of organisational success. We have established a comprehensive training ecosystem to build functional, behavioural and leadership capabilities, which includes **Structured onboarding programmes for new hires; Role-based functional training covering credit appraisal, collections and customer engagement; Leadership development initiatives for high-potential employees; and Regulatory and compliance training aligned with applicable RBI guidelines.**

Training is delivered through a blended approach comprising classroom sessions, digital learning platforms and field-based coaching.

Learning programmes are designed around a competency framework covering both field and non-field roles, including multilingual induction focused on functional and behavioural readiness. Continuous learning is enabled through refresher trainings, assessments, weekly field sessions and e-learning modules, with centrally curated content aligned to business and regulatory requirements. Training needs are identified through performance data and feedback, and effectiveness is assessed using audit, productivity and quality indicators.

Employee Capability Development:

At Arohan, capability development is embedded into the rhythm of the organisation. Through structured programmes and practical learning interventions, we are building a workforce that is agile, aligned, and equipped for the future.

1. Capability Building Initiatives

Arohan runs structured learning interventions aimed at strengthening capabilities across levels, with a strong focus on practical application and business alignment. These initiatives ensure consistent learning engagement across teams and geographies while supporting performance improvement at the grassroots.

2. Management Development Programme (MDP)

To nurture future leaders, Arohan has institutionalised a **Management Development Programme (MDP)** that brings together leadership development efforts under a unified framework.

The programme focuses on:

- Building leadership and managerial capabilities
- Providing exposure to cross-functional and experiential learning
- Enabling structured development journeys aligned with organisational goals

Through MDP, employees are prepared to take on larger responsibilities and drive impact across the organisation.

3. Induction Programmes: Building a Strong Foundation

Arohan's induction programmes are designed to provide a strong foundation for all new employees across field and non-field roles.

- Delivered in multiple regional languages for inclusivity
- Focus on functional and behavioural competencies
- Enable smooth integration into Arohan's culture and operations

These programmes ensure that every employee starts their journey with clarity, confidence, and alignment.

Knowledge Management

Arohan has established a structured approach to knowledge management, ensuring that learning is continuous, accessible, and embedded in everyday work.

Key Initiatives

- **Saksham – Monthly Knowledge Assessment**
A certification-based programme to reinforce knowledge of policies, processes, and industry practices.
- **E-Learning Modules**
Bite-sized, multilingual modules enabling self-paced learning with wide accessibility.

Refresher Training Programme

Arohan's refresher training approach is designed to create strong ownership within business teams.

- Business teams, especially **Branch and Area teams**, are first equipped through structured interventions.
- These teams then **conduct physical, on-ground training sessions** for their teams.
- In parallel, the **Training & Development team delivers the same programmes virtually**, ensuring consistency and scale.

This blended model strengthens last-mile execution while ensuring uniformity in learning across locations.

Weekly Communication Hour

A dedicated forum where field managers connect with their teams on process updates, policy changes, and business priorities. It also acts as a platform for capability building using a train-the-trainer approach, enabling effective knowledge cascading.

RiseNXT: Continuous Capability Development

Arohan has introduced **RiseNXT**, a continuous capability development programme focused on key managerial roles including BH and AM aspirants.

The programme is designed to:

- Build multiple critical skills across functional and behavioural areas
- Enable continuous learning journeys rather than one-time interventions
- Strengthen managerial effectiveness and leadership readiness



RiseNXT ensures that frontline and mid-level leaders are consistently evolving to meet dynamic business requirements.

Skill Gap Analysis: Driving Targeted Development

To ensure training interventions remain relevant and impactful, Arohan undertook a structured Skill Gap Analysis exercise in collaboration with business teams.

- Focus Group Discussions (FGDs) were conducted with business stakeholders to identify critical skills required across different field roles.
- These skills were systematically mapped at the L1 level and subsequently reviewed and validated at the L2 level, ensuring alignment with organisational expectations.
- Based on these insights, targeted training plans were designed, enabling sharper, role-specific capability development.

This approach ensures that learning interventions are data-driven, need-based, and closely aligned with on-ground business realities.

Other Key Training Interventions

- **Corporate Training:** Enhances functional and behavioural competencies across support functions.
- **Customer Service Programme:** Focuses on customer handling, service excellence, and conflict resolution.
- **Upskilling Interventions:** Practical, role-based learning through simulations and role-plays.
- **Automation of Training:** Digital platforms enabling scalable learning journeys, regular assessments, and wider reach.

Statutory Training and Compliance Interventions

Arohan remains committed to building a safe, ethical, and compliant workplace through structured statutory training programmes:

- **POSH Training** – Promoting a safe and respectful workplace
- **Code of Conduct (ACOC)** – Reinforcing ethical standards
- **Anti-Money Laundering (AML)** – Strengthening compliance awareness
- **Client Protection Principles & PPI** – Driving responsible and transparent customer practices

These interventions reinforce a culture of integrity, accountability, and responsible business conduct.



DIRECTOR'S REPORT

Dear Members,

Your Board of Directors (the “**Board**”) takes pleasure in presenting the Annual Report of **AROHAN FINANCIAL SERVICES LIMITED** (the “**Company**”) together with the Audited Financial Statements for the Financial Year ended March 31, 2026.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

The financial performance of the Company is summarized below:

(INR in Lakhs)			
Year ended March 31,	2026	2025	Change (%)
Total Revenue (A)	1,55,155.31	1,69,526.07	(8.48)
Less: Expenditure (B)	1,08,476.86	1,15,966.16	(6.46)
Less: Impairment on financial instruments (C)	30,337.36	39,751.41	(23.68)
Profit/(loss) before tax (D)= [A-(B+C)]	16,341.09	13,808.50	18.34%
Total tax expense (E)	4,107.82	2,839.92	44.65%
Profit/(loss) after tax (F)= (D-E)	12,233.27	10,968.58	11.53%
Other Comprehensive Income	(3.28)	(691.69)	(99.53)
Total Comprehensive income for the year	12,229.99	10,276.89	19.00%
Earnings Per Share (EPS)			
- Basic (in INR)	8.02	7.20	11.39%
- Diluted (in INR)	8.01	7.18	11.56%

The operational highlights of the Company are summarized below:

Year ended March 31	FY 2026	FY 2025	Change (%)
Number of branches	1069	1102	(2.99)
Number of customers (in lakhs)	19.80	21	(5.71)
Number of employees	9654	10252	(5.83)
Gross loan portfolio (in INR Crores)	7,426	6003	23.71%

As a key achievement and noteworthy certifications, during the year under review, the Company won several noteworthy awards:

- Recognised at the prestigious CRIF Data Excellence Awards 2025;
- Recognised among the top organisations for apprenticeship programmes by the Board of Practical Training (Eastern Region);
- Recognised at The Eastern India Leadership Awards, 2025 for its Innovative Corporate Social Responsibility (CSR) practices;
- Information Security Management System got re-certified with ISO/IEC 27001:2022 by BSI;

- Graded Credit Rating ‘A (Stable Outlook)’ by rating agency ICRA;
- Secured Re-Issuance of ISO 9001:2015 Certification from BSI;
- Awarded a top-notch MFI 1 grade, by CareEdge Advisory.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

CAPITAL INFUSION

The Company has issued and allotted 5,00,000 (Five Lakh) Equity Shares at an issue price of INR 148.35/- (Indian Rupees One Hundred Forty Eight and Thirty Five paise only) per share including a premium of INR 138.35/- (Indian Rupees

One Hundred Thirty Eight and Thirty Five paise Only) per share aggregating to INR 7,41,75,000 (Rupees Seven Crore Forty One Lakh and Seventy Five Thousand Only) to Arohan ESOP Trust on August 29, 2025, which was approved by the shareholders at their Annual General Meeting held on August 12, 2025.

CAPITAL STRUCTURE

a) Authorized Share Capital

During the financial year under review, the Authorized Share Capital of the Company stood at INR 2,75,00,00,000/- (Rupees Two Hundred and Seventy Five Crores only) divided into 27,50,00,000 (Twenty Seven Crores and Fifty Lakhs only) equity shares of Rs. 10/- (Rupees Ten only) each.

b) Issued and Paid-up Capital

During the financial year under review, Issued and Paid-up capital of the Company stood at INR 1,59,41,23,200/- (Rupees One Hundred Fifty Nine Crores Forty One Lakhs Twenty Three Thousand and Two Hundred Only) divided into 15,94,12,320 (Fifteen Crores Ninety Four Lakhs Twelve Thousand Three Hundred and Twenty only) equity shares of Rs. 10/- (Rupees Ten only) each.

DISCLOSURES UNDER RBI GUIDELINES

The relevant disclosures applicable under the RBI Master Directions have been made in the Annual Financial Statements and Annual Report for the financial year ended March 31, 2026.

SCALE BASED REGULATIONS

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025, as amended from time to time, the Company is categorised as non-deposit taking Non-Banking Financial Company-Micro Finance Institution- Middle Layer (“NBFC-MFI-ML”) and it continues to be under the same category till date.

NON-CONVERTIBLE DEBENTURES

There was no issuance of non-convertible debentures during the period under review.

DIVIDEND

The Board of Directors did not recommend any Dividend to

the Equity Shareholders of the Company for the financial year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

During the period under review, the appointment of Mr. Kummamuri Narasimha Murthy (DIN: 00023046) was regularized by the shareholders at the Extra Ordinary General Meeting held on April 22, 2025.

Further, Mr. Stephen Dongwon Lee (DIN: 08640160) and Mr. Vineet Chandra Rai (DIN: 00606290), Promoter Nominee Directors of the Company, who were liable to retire by Rotation in terms of Section 152 of the Companies Act, 2013 (“Act”) and Articles of Association of the Company, were reappointed as Director of the Company in the 34th Annual General Meeting held on August 12, 2025.

Furthermore, Mr. Piyush Goenka (DIN: 02117859) who was serving as Non-Executive Nominee Director and Mr. Vemuru Chandramouli (DIN: 07019218) serving as Non-Executive Nominee Director have tendered their resignations w.e.f. May 9, 2025 and May 23, 2025, respectively.

Furthermore, Mr. Sri Radha Ramana Saripalli (DIN: 07165124) was appointed as a Nominee Director w.e.f. May 23, 2025.

Furthermore, Mr. Manojkumar N Nambiar (DIN: 03172919) was reappointed as the Managing Director of the Company for a period of five (5) years with effect from March 01, 2026, pursuant to the Shareholders’ approval dated March 25, 2026.

Furthermore, Mr. Stephen Dongwon Lee (DIN: 08640160) has resigned from the Company with effect from May 8, 2026 due to his personal reasons.

KEY MANAGERIAL PERSONNEL

During the financial year under review, Mr. Milind Ramchandra Nare, has been appointed as Deputy Chief Executive Officer with effect from August 14, 2025 and thereafter he was designated as Deputy Chief Executive Officer and Chief Financial Officer.

Further, as on March 31, 2026, the Key Managerial Personnel (“KMP”) of the Company under the Companies Act, 2013 are Mr. Manojkumar N Nambiar, Managing Director, Mr. Milind Ramchandra Nare, Deputy Chief Executive Officer and Chief Financial Officer and Mr. Anirudh Singh Thakur, Company Secretary and Chief Compliance Officer.



DECLARATION OF INDEPENDENCE

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs.

DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY

The Company does not have any Subsidiary, Associate or Joint Venture Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to inform the Members to the best of their knowledge and belief and according to the information and explanation obtained by them, that the Audited Accounts for the financial year ended March 31, 2026 are in full conformity with the requirements of the Companies Act, 2013. The Financial Statement are audited by the Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration Number – 101248W/W-100022). The Directors further confirm the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- In the preparation of the annual accounts for the financial year ended March 31, 2026 the applicable accounting standards read with requirements set out under Schedule III of the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2026 and of the profit and loss of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care

towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2026, the Board consists of 14 members, which includes one Executive Director, five Independent Directors, and eight Non-Executive Nominee Directors.

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board, a policy relating to the remuneration for the directors, key managerial personnel and senior management personnel. The recommendation of the Committee has been approved by the Board.

The Nomination and Remuneration Committee determines the remuneration of Executive Directors and Key Managerial Personnel on the basis of following criteria;

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to executive directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

CORPORATE GOVERNANCE

The Company being a debt listed entity and has filed a Draft Red Herring Prospectus dated May 15, 2026, and falling within the purview of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") complies with the corporate governance requirements, to the extent applicable.

The Company strives to adopt and adhere to the highest standards of Corporate Governance principles and best practices. With this objective the Company has put in place various policies, systems and processes to achieve transparency, high levels of business ethics and compliance with applicable laws. The Board and other Committees of the Board ensures the high standards of transparency and accountability in all its activities. The best management practices and a high level of integrity in decision making are followed to ensure long term creation of value for all the stakeholders.

The Corporate Governance Report forms part of the Director's Report and is annexed as **Annexure I**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of the meetings of the Board of Directors held during the financial year ended March 31, 2026 are provided in the Corporate Governance Report.

AUDITORS

- Statutory Auditors** – Pursuant to the RBI Guidelines Ref. No. RBI/2021-22/25 (DoS.CO.ARG/SEC.01/08.91.001/2021-22) dated April 27, 2021, regarding the appointment of Statutory Auditors, and based on the recommendation of the Audit Committee, the Board of Directors of the Company, at its meeting held on May 24, 2024, approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a continuous period of three (3) years, i.e., for FY 2024-25, FY 2025-26, and FY 2026-27.

They shall hold office till the conclusion of the Annual General Meeting to be held for FY 2026-27. Their appointment was approved by the shareholders at the Annual General Meeting of the Company held on August 06, 2024.

M/s. B S R & Co. LLP have confirmed their eligibility to be appointed as Statutory Auditors under Section 141 of the Companies Act, 2013, and have also confirmed compliance with the RBI Guidelines.

- Secretarial Auditors** – M/s. MR & Associates, Company Secretaries (Peer Review Certificate No: 5598/2024) has been appointed as a Secretarial Auditors of the Company for the Financial Year 2025-26. The Secretarial Audit Report for the FY 2025-2026 is annexed as **Annexure II** to the Director's Report which forms part of this report.

- Cost Auditors** – The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly the provisions relating to maintenance of cost records and conduct of cost audit are not applicable to the Company during the financial year under review.

There are no qualifications, reservation or adverse remark made by the Statutory Auditors or the Secretarial Auditors in their reports.

DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the financial year under review, the Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India as per Section 118(10) of the Companies Act, 2013 and such systems are adequate and operating effectively.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No application was made or any proceeding initiated or pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

The details of the difference between the valuation amount at the time of one-time settlement and the valuation done



while obtaining loans from Banks or Financial Institutions, along with the reasons thereof, are **not applicable**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Board hereby confirms that during the financial year under review, it has not granted any loans, made any investments, or provided guarantees or securities to any person or entity, to which the provisions of Section 186 of the Companies Act, 2013 apply. Accordingly, there are no transactions or disclosures required under this section for the said period.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and during the financial year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, there being no material contracts or arrangements entered into by the Company with related parties at arm's length basis during the financial year made by the Company, disclosure in Form AOC-2 is not applicable. The details of the transactions with related parties were placed before the Audit Committee and the Board of Directors from time to time and the same is disclosed in Notes to the Financial Statements.

The policy on Related Party Transaction, as approved by the Board, is annexed as **Annexure III** and forms part of this report.

AMOUNT TRANSFERRED TO STATUTORY RESERVES

During the financial year under review, the Company earned profit and accordingly during the financial year the Company has transferred an amount of **INR 2,446.65 Lakhs** to Statutory Reserve as required (20% of Profit after Tax) under Section 45-IC of the RBI Act, 1934.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year to which the financial statements relate i.e. March 31, 2026 and the date of this Report.

However, the Company has filed Draft Red Herring Prospectus dated May 15, 2026 with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Ltd.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company has however, used information technology extensively in its operations.

Foreign Exchange earnings and Outgo

Particulars	Amount (INR in Lakh)
Earnings	0.00
Outgo	7.13

The details of foreign exchange earnings and outgo have also been captured in Notes to the Financial Statements.

ANNUAL EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI Listing Regulations, 2015), the Nomination and Remuneration Committee has laid down the criteria for performance evaluation on the basis of which the Board has carried out evaluation of its own performance, the performance of Board Committees and of the Directors individually.

The Independent Directors of the Company, at their separate meeting have reviewed the performance of all the directors, the Board as a whole and its Committees and the Chairperson of the Company.

Further, the Nomination and Remuneration Committee ("NRC") has carried out evaluation of individual Director's performance.

The Members of the NRC and Board reviewed the performance of all the directors, the Board as a whole and its Committees and the Chairperson of the Company in accordance with the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Committee agreed that the effectiveness of participation of the Directors in various meetings of the Board and its Committees was satisfactory.

All the Directors made significant contributions in ensuring ethical standards and the statutory as well as regulatory compliances. The Members of the NRC also agreed that the financial performance of the Company over the years is satisfactory and the Board as a whole played a great role in the development of the Company.

RISK MANAGEMENT POLICY

The Board of the Company has adopted the Risk Management Policy based on the recommendation of the Risk Management Committee in order to assess, monitor and manage risk throughout the Company. Risk is an integral part of the Company's business and sound risk management is critical to the success of the organization.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee) and the composition and the function thereof are mentioned in the Corporate Governance Report.

The annual report on Corporate Social Responsibility activities, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided in the **Annexure IV** and forms part of this Report

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee and the same is available on the Company's website at <https://www.arohan.in/wp-content/themes/arohan/resources/corporate-social-responsibility-policy.pdf>

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

During the financial year under review, there were no significant or material orders passed by any regulator, court or tribunal which would impact the going concern status of the company or its operations in future.

DEPOSITS

The Company is a non-deposit taking NBFC-MFI and has not accepted any deposit as defined in the Companies Act, 2013.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to providing a safe and harassment-free workplace for every individual working in the Company premises. The Company always endeavors to create and provide an environment that is free from any discrimination and harassment.

The policy on prevention of sexual harassment at workplace aims at prevention of harassment of employees, whether permanent, temporary, ad-hoc, consultants, interns or contract workers irrespective of gender, and lays down the guidelines for identification, reporting and prevention of undesired behavior. The Company has duly constituted an Internal Complaints Committee to redress complaints received regarding sexual harassment.

The Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year under review:

- Number of complaints of sexual harassment received: 13
- Number of complaints disposed of during the year: 9
- Number of cases pending for more than ninety days: 0

COMPLIANCE WITH CHAPTER VI OF CODE ON SOCIAL SECURITY, 2020 (PREVIOUSLY MATERNITY BENEFIT ACT, 1961)

The Company has complied with the applicable provisions related to maternity benefit as provided under Chapter VI Code on Social Security, 2020 (previously Maternity Benefit Act, 1961) and the rules made thereunder, to the extent applicable to the Company, during the financial year under review.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate and effective internal financial controls with reference to financial statements.



During the financial year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

VIGIL MECHANISM

The Company has a Whistle-blower Policy which is periodically reviewed and details of the same are explained in the Corporate Governance Report. The Policy is also available on the Company's website.

PARTICIPATION IN CREDIT BUREAU

In order to address the issue of multiple lending or over indebtedness and also to know the credit history of the customer, the Company is a member in all the Credit Information Companies (CICs) namely Experian Credit Information Company of India Private Ltd, High Mark Credit Information Services Pvt. Ltd., Equifax Credit Information Services Pvt. Ltd., and Transunion CIBIL Limited and shares requisite customer data to them, as applicable.

RESOURCES AND LIQUIDITY

Your Company, being a non-deposit taking Non-Banking Financial Company-Micro Finance Institution- Middle Layer ("NBFC-MFI-ML"), is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 (as amended from time to time) based on total capital to risk weighted assets. Your Company has maintained a CRAR ratio of 27.56% as on March 31, 2026 which is higher than the RBI prescribed ratio of 15%.

The Company has an outstanding, secured and unsecured borrowings of **INR 5,89,962.32 Lakhs** at the end of Financial Year 2025-2026.

RBI GUIDELINES & SRO

Your Company is registered with the Reserve Bank of India ("RBI"), as a systemically important non-deposit taking NBFC ("NBFC-ND-SI") under Section 45-IA of the RBI Act, 1934. The Directors hereby report that the Company did not accept any public deposits during the financial year and did not have any public deposits outstanding at the end of the financial year.

The Company being a member of Micro Finance Institutions

Network (MFIN), adheres to the Code of Conduct prescribed by the Self-Regulatory Organisation (SRO). The Company also complies with the standards and rules as prescribed by the above SRO from time to time.

CREDIT RATING

The Company's Financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies as given below:

Instrument	Rating Agency	Rating	Outlook
Bank facilities programme	ICRA	A	Stable
Non-convertible debentures	ICRA	A	Stable
Subordinated debt	ICRA	A	Stable
Long-term bank facilities – Fund based	ICRA	A	Stable
Long-term instruments	CARE	CARE A-	Stable
Non-convertible Debenture/Subordinate Debt	ICRA	A	Stable

PARTICULARS OF EMPLOYEES

The Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as **Annexure V** to the Directors' Report. For the details of top ten employees in terms of remuneration drawn, it may be sought by writing an email to compliance@arohan.in.

The Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as the Company is not a listed Company under the Companies Act, 2013.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company currently had implemented three plans, viz. Arohan Employee Stock Option Plan 2010 ("ESOP 2010"/ "Plan"), Arohan Employee Stock Option Plan 2018 ("ESOP 2018"/ "Plan") and Arohan Employee Stock Option Plan 2021 ("ESOP 2021"/ "Plan"). Further, Stock Options are granted

to eligible employees and KMPs of the Company, under the Arohan ESOP Plans as may be identified and recommended by the Nomination & Remuneration Committee and thereafter approved by the Board.

The details of the Employee Stock Option Scheme as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed as **Annexure VI**.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2026 in e-form MGT 7 is available on the Company's website at <https://www.arohan.in/wp-content/uploads/2026/06/mgt-7-2025-26.pdf>

Matters not specifically reported in this Board's Report are either not applicable to the Company or did not arise during the financial year under review.

AFFIRMATION AND DISCLOSURE

All the Directors and members of the Senior Management

Personnel have affirmed their compliance with the Code of Conduct as on March 31, 2026 and a declaration to that effect, signed by the Managing Director is annexed and forms part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation of the co-operation and assistance received from customers, Reserve Bank of India, MFIN, Shareholders, Bankers, Stock Exchange and other stakeholders during the financial year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed from all managers, executives and customer service representatives resulting in the performance of the Company during the financial year.

Finally, your Directors take this opportunity to express their appreciation and extend their gratitude for the continued support, co-operation and guidance received from all the Banks and Financial Institutions.

For and on behalf of the Board of Directors

Sd/-
ANURAG AGRAWAL
Promoter Nominee Director
DIN:02385780

Sd/-
MANOJKUMAR N NAMBIAR
Managing Director
DIN: 03172919

Date: May 21, 2026

Place: Kolkata



ANNEXURE- I

CORPORATE GOVERNANCE REPORT

The Need for a Structured Corporate Governance, Risk and Statutory Compliance Framework



COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is the framework that outlines how a company is managed and controlled, ensuring it operates ethically, legally and efficiently. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large. Arohan Financial Services Limited ("Arohan") recognizes its role as a corporate citizen and committed to the highest level of Corporate Governance practices which emphasizes the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders.

The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and to ensure that the Company evolves and follow not just the stated corporate governance guidelines, but also global best practices. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values viz. Employee Engagement, Transparency, Honesty & Integrity, Innovation, Customer Centricity and Shareholder Value Focus.

The constitution of the Board and that of its Committees are compliant with the relevant provisions of the Companies Act, 2013 (the Act) and the relevant rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015), and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2015 (RBI Governance Directions) as updated from time to time. The Company is also registered as Corporate Agent (Composite) under the Insurance Regulatory and Development Authority Act, 1999 read with the IRDAI (Registration of Corporate Agents) Regulations, 2015.

Corporate Governance Framework:

The driving principles of our corporate governance framework are encapsulated in the following diagram:



Governance Structure

Arohan's corporate governance structure, systems and processes are based on two core principles, viz., (a) management must have the executive freedom to drive the enterprise forward without undue restraints and (b) this freedom of management should be exercised within a framework of effective accountability.

Apart from the shareholders of the Company, the following governance level is followed in Arohan:





BOARD OF DIRECTORS

Composition and Category of the Board

The Company has a broad-based Board of Directors, constituted in compliance with the RBI Governance Directions, the Act, the SEBI LODR, 2015 as amended from time to time and in accordance with good corporate governance practices. The Company recognizes and embraces the importance of a diverse Board and strongly believes that an active, well-informed, independent and diverse Board will leverage differences in thought, perspective, knowledge, skill, industry experience and age, which will help us retain and maximize our competitive advantage. The Board of Directors (**“the Board”**) is at the very root of Company's corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. As on March 31, 2026, the Company's Board is comprised of Fourteen (14) Directors including Five (5) Non-Executive Independent Directors, One (1) Executive Managing Director and Eight (8) Non-Executive Nominee Directors (which includes Two (2) Women Non-Executive Nominee Directors).

During the financial year under review, the Board of Directors met six (6) times on May 23, 2025, August 13, 2025, November 12, 2025, December 22, 2025, February 13, 2026 and March 2, 2026. The interval between the two meetings was well within the maximum period mentioned under the applicable laws.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last Annual General Meeting (“AGM”), number of other Directorships and Committee membership(s)/ chairmanship(s) of each Director are as under:

Sl. No.	Name of Director (*)	Director since	Capacity (i.e. Non- Executive/ Chairman/ Promoter/ nominee/ Independent)	Director identification number (DIN)	Number of Board Meetings		Number of other Directorships	Remuneration			Number of shares held in and convertible instruments held in the NBFC	Whether attended last AGM	No. of other Directorship held in other public companies	No. of other Board Committee Member -ships/ Chairmanship*	Details of directorship held in other Listed Entity (including debt listed)	Category of Directorship
					Held	Attended		Salary and other compensation (INR in Lakhs)	Sitting Fee (INR in Lakhs)	Commission (INR in Lakhs)						
1	Mr. Manojkumar N Nambiar	October 3, 2012	Executive - Managing Director	03172919	6	6	2	395.63	Nil	Nil	Nil	Yes	-	-	-	-
2	Mr. Anurag Agrawal	October 3, 2012	Promoter Nominee Director	02385780	6	5	7	Nil	3.75	48.00	Nil	No	2	3	Electronica Finance Limited	Director
3	Mr. Vineet Chandra Rai	October 24, 2013	Promoter Nominee Director (Vice Chairman)	00606290	6	5	7	Nil	3.50	150.00	Nil	No	1	-	-	-
4	Mr. Dinesh Kumar Mittal	May 15, 2018	Non-Executive - Independent Director (Chairman)	00040000	6	6	9	Nil	5.00	50.00	Nil	Yes	7	5 (including 3 as a Chairperson)	1. Max Estates Limited 2. Indus Towers Limited 3. APL Apollo Tubes Limited 4. New Delhi Television Limited	Independent Director
5	Mr. Wilhelmus Martinus Maria Van Der Beek	December 5, 2016	Non-Executive - Nominee Director	02142559	6	5	-	Nil	Nil	Nil	Nil	No	-	-	-	-
6	Mr. Nitish Chawla	May 31, 2023	Non-Executive - Nominee Director	07676758	6	6	-	Nil	Nil	Nil	Nil	No	-	-	-	-
7	Ms. Rupa Rajul Vora	August 08, 2023	Non-Executive - Nominee Director	01831916	6	6	6	Nil	3.25	20.00	Nil	Yes	4	7 (including 4 as a Chairperson)	1. JM Financial Asset Re-construction Company Limited 2. Incrad Financial Services Limited	Independent Director
8	Ms. Karina Isabel Alva Alfaro	November 10, 2023	Non-Executive - Nominee Director	10377372	6	5	2	Nil	Nil	Nil	Nil	No	1	-	-	-
9	Mr. John Arunkumar Diaz	January 03, 2024	Non-Executive - Independent Director	00493304	6	6	8	Nil	8.50	30.00	57,345	Yes	1	1	Suryoday Small Finance Bank Limited	Independent Director
10	Mr. Ulhas S Deshpande	January 15, 2024	Non-Executive - Independent Director	00017235	6	5	-	Nil	5.50	25.00	Nil	No	-	-	-	-
11	Mr. Jose J Kattoor	September 28, 2024	Non-Executive - Independent Director	09213852	6	6	2	Nil	5.25	30.00	Nil	Yes	2	2 (including 1 as a Chairperson)	The South Indian Bank Limited	Independent Director



Sl. No.	Name of Director (*)	Director since	Capacity (i.e. Non-Executive/ Chairman/ Promoter nominee/ Independent)	Director identification number (DIN)	Number of Board Meetings		Number of other Directorships	Remuneration			Number of shares held in and convertible instruments held in the NBFC	Whether attended last AGM	No. of other Directorship held in other public companies	No. of other Board Committee Members/-ships/Chairman-ship*	Details of directorship held in other Listed Entity (including debt listed)	Category of Directorship
					Held	Attended		Salary and other compensation (INR in Lakhs)	Sitting Fee (INR in Lakhs)	Commission (INR in Lakhs)						
12	Mr. Kummamuri Narasimha Murthy	February 12, 2025	Non-Executive - Independent Director	00023046	6	5	6	Nil	6.50	30.00	Nil	Yes	5 (Including 3 as a Chairperson)	1. Raymond Lifestyle Limited 2. Raymond Limited 3. Axis Finance Limited 4. Raymond Realty Limited	Independent Director	
13	Mr. Piyush Goenka (1)	March 31, 2025	Non-Executive - Nominee Director	02117859	0	0	-	-	-	-	-	-	-	-	-	
14	Mr. Vemuru Chandramouli (2)	May 12, 2023	Non-Executive - Nominee Director	07019218	0	0	-	-	-	-	-	-	-	-	-	
15	Mr. Stephen Dongwon Lee (3)	December 1, 2022	Non-Executive - Nominee Director	08640160	6	4	-	Nil	Nil	Nil	Nil	No	-	-	-	
16	Mr. Sri Radha Ramana Saripalli (4)	May 23, 2025	Non-Executive - Nominee Director	07165124	5	4	1	Nil	2.00	Nil	Nil	No	-	-	-	

- None of the Directors held directorships in more than 10 (Ten) public limited companies;

- None of the Directors is related to any Director or is a member of an extended family;

- None of the employees of the Company is related to any of the Directors in terms of the Companies Act, 2013;

- None of the Directors has received any loans or advances from the Company during the year.

- Mr. John Arunkumar Diaz, Non-Executive Independent Director, holds 57,345 equity shares.

*Only covers Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Public Limited Companies.

**

1. Mr. Piyush Goenka (DIN: 02117859), owing to his resignation ceased to be a member of the Board with effect from May 09, 2025.

2. Mr. Vemuru Chandramouli (DIN: 07019218), owing to his resignation ceased to be a member of the Board with effect from May 23, 2025.

3. Mr. Stephen Dongwon Lee (DIN: 08640160), owing to his resignation ceased to be a member of the Board with effect from May 08, 2026.

4. Mr. Sri Radha Ramana Saripalli (DIN: 07165124) was appointed as Non-Executive Nominee Director of the Company representing The Small Industries Development Bank of India (SIDBI) with effect from May 23, 2025.

Note: The data in the above table pertaining to number of other Directorship held in other public companies, number of other Board Committee Memberships/ Chairmanship and Details of directorship held in other Listed Entity (including debt listed) has been provided in case of Directors who resigned, till the date the directors were associated with the Company and in respect of other Directors till March 31, 2026.

Details of change in composition of the Board during the current and previous financial year:

Sl. No.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of Change (appointment/ resignation)	Effective Date
1.	Mr. Sumantra Banerjee	Non-Executive-Independent Director	Cessation	April 29, 2024
2.	Mr. Jose J Kattoor	Non-Executive-Independent Director	Appointment	September 28, 2024
3.	Mr. Rajat Mohan Nag	Non-Executive-Independent Director	Cessation	January 31, 2025
4.	Mr. Kummamuri Narasimha Murthy	Non-Executive-Independent Director	Appointment	February 12, 2025
5.	Mr. Piyush Goenka	Non-Executive Nominee Director	Resignation	May 9, 2025
6.	Mr. Vemuru Chandramouli	Non-Executive Nominee Director	Resignation and/or Withdrawal of Nomination	May 23, 2025
7.	Mr. Sri Radha Ramana Saripalli	Non-Executive-Nominee Director	Appointment	May 23, 2025
8.	Mr. Manojkumar N Nambiar	Executive-Managing Director	Re-appointment	March 01, 2026

The Board placed on record its appreciation for the valuable services rendered by all outgoing Directors.

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/ him shall be disclosed: Not Applicable

Details of any relationship amongst the directors inter-se shall be disclosed: - Nil

Familiarisation Programme for Independent Directors: The Company has established a Familiarisation Programme for Independent Directors. The framework together with the details of the Familiarisation Programme imparted during the financial year under review has been uploaded on the website of the Company and can be accessed at www.arohan.in.

Board of Arohan confirms that the Independent Directors fulfil the conditions specified in the provisions and are independent of the management.

Committees of the Board - Composition as on March 31, 2026

1. Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and the Committee assists the Board in dissemination of financial information. The terms of the reference of the Audit Committee covers all matters as per applicable laws. The terms of the reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/financial reporting systems and reviewing of the adequacy of the financial policies and practices followed by the Company. The Audit Committee also looks after the compliance with the legal and statutory requirements, the quarterly and annual financial statements and related party transactions and report its finding to the Board. The Committee also recommends the appointment of statutory auditors to the Board. The Committee also looks into those matters specifically referred to it by the Board.

The Managing Director, the Chief Financial Officer and other Executive Committee Members are invitees to the meetings of the Committee. The other directors are invited to attend the Audit Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Audit Committee met Four (4) times during the year on May 23, 2025, August 13, 2025, November 12, 2025, and February 13, 2026. The time gap between two consecutive meetings is within the limit prescribed in the applicable law.

**Composition:**

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. Kummamuri Narasimha Murthy*	May 15, 2025	Non Executive - Independent Director (Chairman)	4	4	Nil
2	Mr. Dinesh Kumar Mittal	November 10, 2022	Non Executive - Independent Director	4	4	Nil
3	Mr. Piyush Goenka**	April 27, 2018	Non Executive - Nominee Director	0	0	Nil
4	Mr. John Arunkumar Diaz	January 15, 2024	Non-Executive-Independent Director	4	4	57,345
5	Mr. Ulhas S Deshpande	January 15, 2024	Non-Executive-Independent Director	4	4	Nil

* Mr. Kummamuri Narasimha Murthy was appointed as a Chairperson of the Committee w.e.f. May 15, 2025.

** Owing to resignation tendered by Mr. Piyush Goenka, he ceased to be a member of the Committee w.e.f. May 9, 2025.

The Chief Financial Officer, who is responsible for the finance function, the Head of Internal Audit and the representative of the Statutory Auditors, are invited to attend meetings of the Audit Committee. Further, the Secretarial Auditor is invited once in a financial year for the discussion of the Secretarial Audit Report. The Company Secretary acts as the Secretary to the Audit Committee.

2. Risk Management Committee

Periodic assessment to identify the risk areas is very necessary for a rapid growth of a company and this is effectively carried out by the Committee and management is briefed on the risks in advance by the Committee to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the Company. The Committee also assists the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Board is also periodically informed of the business risk and actions taken to manage them. The Company has put in place a risk management policy which provides an overview of the principles of the risk management of the company.

As on March 31, 2026 the Committee comprised of Four (4) Independent Directors and One (1) Nominee Director. The other directors are invited to attend the Risk Management Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Risk Management Committee met Four (4) times during the year on May 22, 2025, August 12, 2025, November 11, 2025 and February 12, 2026.

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. Jose J Kattoor	February 11, 2025	Non-Executive-Independent Director (Chairman)	4	4	Nil
2	Mr. Kummamuri Narasimha Murthy*	May 15, 2025	Non-Executive-Independent Director	4	4	Nil
3	Mr. Piyush Goenka**	April 27, 2018	Non Executive - Nominee Director	0	0	Nil
4	Mr. Wilhelmus Marthinus Maria Van Der Beek	April 27, 2018	Non Executive - Nominee Director	4	2	Nil
5	Mr. Ulhas S Deshpande	January 15, 2024	Non-Executive-Independent Director	4	4	Nil
6	Mr. John Arunkumar Diaz	January 15, 2024	Non-Executive-Independent Director	4	4	57,345

(*) Mr. Kummamuri Narasimha Murthy was appointed to the Committee as a member w.e.f. May 15, 2025

(**) Owing to resignation tendered by Mr. Piyush Goenka, ceased to be a member of the Committee w.e.f. May 9, 2025.

3. Corporate Social Responsibility Committee

The primary objective of the Committee is to assist the Board in fulfilling its corporate social responsibility. The Committee has overall responsibility for identifying the areas of CSR activities and implementing and monitoring the CSR Policy from time to time. The Committee also recommends the amount of expenditure to be incurred on the identified CSR activities. The Committee is headed by an Independent Director.

As on March 31, 2026, the Committee comprised of one (1) Independent Director, two (2) Nominee Director and the Managing Director. The other directors are invited to attend the Corporate Social Responsibility Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Committee met twice (2) during the year on May 22, 2025 and February 09, 2026.

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. John Arunkumar Diaz	April 29, 2024	Non Executive - Independent Director (Chairman)	2	2	57,345
2	Mr. Anurag Agrawal	April 27, 2018	Promoter Nominee Director	2	2	Nil
3	Mr. Manojkumar N Nambiar	April 27, 2018	Executive - Managing Director	2	2	Nil
4	Mr. Wilhelmus Marthinus Maria Van Der Beek	April 27, 2018	Non Executive - Nominee Director	2	2	Nil

4. Nomination and Remuneration Committee

The responsibility of the Nomination and Remuneration Committee of the Board is to oversee that the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board by identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors so that the directors appointed would have appropriate skills to support the functioning of the Company. The Committee recommend the appointment and removal of directors and for approval at the general meeting and evaluate the performance of the Board and review the evaluation's implementation and compliance and plans for leadership development and also develop and maintain corporate governance policies applicable to the Company. The Committee also reviews the candidature of the Directors and ensures that they are fit and proper as per the guidelines of RBI and Companies Act, 2013. Performance evaluation criteria for independent directors forms part of Directors Report.

As on March 31, 2026 the Committee comprised of Five (5) Independent Directors, and one (1) Promoter Nominee Director. The other directors are invited to attend the Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Committee met Five (5) times during the year on May 23, 2025, August 12, 2025, November 11, 2025, February 12, 2026 and March 2, 2026.

Remuneration Policy:

Nomination and Remuneration Committee of the Company also determines the sitting fees to be paid to Non-Executive Directors/ Independent Directors of the Company. In case the Company determines the use of services of the Directors for specific assignments then the Company would compensate the directors additionally for their professional services and such compensation would be determined by the Board after being recommended by the Committee. The compensation payable to the Independent Directors is as decided by the Board, the sum of which does not exceed as per the provisions of the Companies Act, 2013.



Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. Ulhas S Deshpande	January 15, 2024	Non-Executive-Independent Director (Chairman)	5	4	Nil
2	Mr. Dinesh Kumar Mittal	May 12, 2023	Non Executive - Independent Director	5	4	Nil
3	Mr. Piyush Goenka*	April 27, 2018	Non Executive - Nominee Director	0	0	Nil
4	Mr. Vineet Chandra Rai	April 27, 2018	Promoter Nominee Director	5	4	Nil
5	Mr. John Arunkumar Diaz	April 29, 2024	Non Executive - Independent Director	5	5	57,345
6	Mr. Jose J Kattoor	February 12, 2025	Non Executive - Independent Director	5	5	Nil
7	Mr. Kummamuri Narasimha Murthy**	May 15, 2025	Non Executive - Independent Director	5	5	Nil

(*) Owing to resignation tendered by Mr. Piyush Goenka, ceased to be a member of the Committee w.e.f. May 9, 2025.

(**) Mr. Kummamuri Narasimha Murthy was appointed to the Committee as a member w.e.f. May 15, 2025

5. Share Transfer and Securities Allotment Committee

The Share Transfer and Securities Allotment Committee of the Board is responsible for ensuring that the shares allotment and transfer of the company should be fit and proper as per the provisions of the Companies Act, 2013.

As on March 31, 2026, the Committee is comprised of Managing Director and two (2) Promoter Nominee Directors. The other directors are invited to attend the Share Transfer and Securities Allotment Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Committee met only once during the year on August 29, 2025.

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. Manojkumar N Nambiar	February 16, 2018	Executive - Managing Director (Chairman)	1	1	Nil
2	Mr. Anurag Agrawal	February 16, 2018	Promoter Nominee Director	1	1	Nil
3	Mr. Vineet Chandra Rai	February 16, 2018	Promoter Nominee Director	1	0	Nil
4	Mr. Piyush Goenka*	February 16, 2018	Non-Executive - Nominee Director	1	0	Nil

* Owing to resignation tendered by Mr. Piyush Goenka, he ceased to be a member of the Committee w.e.f. May 9, 2025.

6. IT Strategy Committee

NBFCs are required to form an IT Strategy Committee. The Chairman of the Committee shall be an Independent Director and CFO should be a part of the Committee. The IT Strategy Committee should meet at an appropriate frequency. The Committee shall work in partnership with other Board Committees and Senior Management to provide input to them. It will also carry out

review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

As on March 31, 2026, the Committee is comprised of Two (2) Independent Directors and the Managing Director. The other directors are invited to attend the IT Strategy Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. The Committee met Four (4) times during the year on May 22, 2025, August 08, 2025, November 07, 2025 and February 09, 2026.

Sl. No.	Name of the Director/ Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. John Arunkumar Diaz	January 15, 2024	Non-Executive-Independent Director (Chairman)	4	4	57,345
2	Mr. Piyush Goenka (*)	February 16, 2018	Non-Executive - Nominee Director	4	0	Nil
3	Mr. Manojkumar N Nambiar	February 16, 2018	Executive - Managing Director	4	4	Nil
4	Mr. Amit Sugandhi(***)	February 12, 2025	Head-Information Technology	4	2	Nil
5	Mr. Kummamuri Narasimha Murthy (**)	May 15, 2025	Non Executive - Independent Director	4	3	Nil

(*) Owing to resignation tendered by Mr. Piyush Goenka, he ceased to be a member of the Committee w.e.f. May 9, 2025.

(**) Mr. Kummamuri Narasimha Murthy was appointed to the Committee as a member w.e.f. May 15, 2025.

(***) Mr. Amit Sugandhi ceased to be member of the Committee w.e.f. August 13, 2025.

7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board is responsible for redressal of grievances of customers, investors, shareholders, securities holders, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends, matters related to the Environmental, Social, & Governance and such other functions as may be delegated by the Board and/or prescribed under the SEBI LODR, 2015 and the Act or any other applicable law, is placed before the Committee for their perusal and also to discuss any other matter which the Committee thinks fit.

As on March 31, 2026 the Committee comprised of One (1) Non-Executive Independent Director, the Managing Director and One (1) Promoter Nominee Director. The other directors are invited to attend the Stakeholders Relationship Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee. During the financial year 2025-26, two complaints were received and resolved to the satisfaction of investors. As on March 31, 2026, no complaints were outstanding. The Committee met three (3) times during the year on August 8, 2025, November 7, 2025 and February 9, 2026.

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. John Arunkumar Diaz	January 15, 2024	Non-Executive-Independent Director (Chairman)	3	3	57,345
2	Mr. Manojkumar N Nambiar	April 27, 2018	Executive - Managing Director	3	3	Nil
3	Mr. Anurag Agrawal	April 27, 2018	Promoter Nominee Director	3	3	Nil



8. Asset-Liability Management Committee (ALCO)

The ALCO is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.

As on March 31, 2026, the Committee is comprised of Managing Director, Chief Financial Officer, Chief Business Officer, Chief Risk Officer and Head- Credit & Process Control. The Committee met every month during the year under review on April 18, 2025, May 27, 2025, June 17, 2025, July 24, 2025, August 25, 2025, September 19, 2025, October 24, 2025, November 28, 2025, December 26, 2025, January 20, 2026, February 25, 2026 and March 24, 2026.

Attendance of Members:

Sl. No.	Name of the Director/ Member	Member of Committee since	Position	Number of Meetings of the Committee		Number of shares held in the NBFC
				Held	Attended	
1	Mr. Manojumar N Nambiar	April 29, 2014	Managing Director (Chairman)	12	12	Nil
2	Mr. Milind Ramchandra Nare	May 16, 2016	Deputy Chief Executive Officer and Chief Financial Officer	12	10	10,000
3	Mr. Shailesh Kumar	July 24, 2021	Chief Business Officer	12	9	Nil
4	Mr. Ranjan Das	July 15, 2017	Chief Risk Officer	12	11	Nil
5	Ms. Sharoni Pal	Feb 12, 2025	Head- Credit	12	11	Nil

9. Meeting of Independent Directors

Schedule IV of the Companies Act, 2013 mandate that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the non-independent members of the Board, including the Chairman. During the year, the independent directors met on May 23, 2025, August 12, 2025, November 12, 2025 and February 13, 2026 without the presence of the Management.

Senior Management Personnel

During the financial year under review, Mr. Shailesh Kumar was appointed as Chief Business Officer (CBO) of the Company with effect from May 23, 2025. Further Mr. Arvind Murarka was appointed as the Chief Information Officer (CIO) of the Company with effect from February 13, 2026.

General Body Meetings

Details of location and time, where last three Annual General Meetings held are given below:

Financial Year	Category	Location	Date	Time
2024-2025	AGM	It was held through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), deemed location is Westin Kolkata, Rajarhat, Plot No. CBD/2 Action Area II, Kolkata- 7000156	August 12, 2025	02:00 PM
2023-2024	AGM	It was held through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), deemed location is Registered Office	August 06, 2024	01:00 PM
2022-2023	AGM	It was held through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), deemed location is Registered Office	August 07, 2023	03:00 PM

Extra Ordinary General Meetings were held on April 22, 2025 and March 25, 2026 through video conferencing/ other audio visual means, deemed location being the Registered Office of the Company, during the year and the following Special Resolutions were passed therein:

EGM held on April 22, 2025:

1. Appointment of Mr. Narasimha Kummamuri Murthy (DIN: 00023046), as a Non-Executive Independent Director of the Company.

EGM held on March 25, 2026:

1. Adoption of new Articles of Association of the Company
2. Approval of the Initial Public Offer
3. Increase in Investment Limits for Non-Resident Indians and Overseas Citizen of India
4. Reappointment of Mr. Manoj Kumar Nambiar (DIN: 03172919) as Managing Director of the Company
5. Approval of amendment to the Arohan Employee Stock Option Plan 2010
6. Approval of amendment to the Arohan Employee Stock Option Plan 2018
7. Approval of amendment to the Arohan Employee Stock Option Plan 2021

The following business items were approved by Special Resolution in the last three AGMs:

FY 2022-23:

1. Increase in borrowing power of the Company;
2. Creation of charge and to provide security;
3. To issue Non-Convertible Debentures;
4. Payment of commission to the Independent Directors of the Company;
5. Issue of shares w.r.t Arohan Employee Stock Option Plan 2021.

FY 2023-24:

1. Increase in borrowing power of the Company;
2. Creation of charge and to provide security;
3. Reclassification of Authorised Share Capital & consequent amendment to the capital clause in the Memorandum of Association of the Company;
4. To issue Non-Convertible Debentures;
5. Payment of Commission to the Directors of the Company for the Financial Year 2023-24;
6. Issue of shares with respect to Arohan Employee Stock Option Plan 2021;
7. Payment of Commission to Mr. Vineet Chandra Rai (DIN: 00606290), Non- Executive Nominee Director for the Financial Year 2024-25;
8. Payment of Commission to Mr. Anurag Agrawal (DIN: 02385780), Non-Executive Nominee Director for the Financial Year 2024-25.

FY 2024-25:

1. Increase in borrowing power of the Company.
2. Creation of charge and to provide security.
3. To issue Non-Convertible Debentures.
4. Payment of Commission to the Directors of the Company for the Financial Year 2024-25
5. Issue of shares with respect to Arohan Employee Stock Option Plan 2021
6. Payment of Commission to Mr. Vineet Chandra Rai (DIN: 00606290), Non- Executive Nominee Director for the Financial Year 2025-26
7. Payment of Commission to Mr. Anurag Agrawal (DIN: 02385780), Non-Executive Nominee Director for the Financial Year 2025-26



General Shareholders Information

Company Registration details:

The Company is based in Kolkata and operates in sixteen geographies at present.

CIN: U74140WB1991PLC053189

RBI registration no.: B.05.02932

Scrip Code: 955550

Annual General Meeting Day, Date, Time and Venue:

Day: Friday

Date: August 14, 2026

Time: 11:00 A.M. (I.S.T.)

Venue: Registered Office of the Company through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')

Financial Year: April 01, 2025 to March 31, 2026

Listing on Stock Exchange: The Company's NCDs are listed on the Wholesale Debt Market (WDM) segment of the BSE Limited. The Company has paid listing fees to BSE Limited for the Financial Year 2025-26 as well as for the Financial Year 2026-27.

Debenture Trustees:

IDBI Trusteeship Services Limited

GR FLR, Universal Insurance Bldg

Sir Phirozshah Mehta Rd.

Fort, Bazargate, Mumbai,

Maharashtra, India, 400001

Catalyst Trusteeship Limited

Unit No- 901, 9th Floor, Tower B,

Peninsula Business Park, Senapati

Bapat Marg, Lower Parel (W)

Mumbai - 400013

Registrar and Share Transfer Agents: Members are requested to correspond with the Company's Registrar and Share Transfer Agents- MUFG Intime India Private Limited quoting their folio no. / DP ID and Client ID at the following address:

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)

Unit: Arohan Financial Services Limited

C-101, Embassy 247

L.B.S. Marg, Vikhroli (West)

Mumbai 400 083, Maharashtra, India

Ph: +91 22 4918 6000; E-Mail: investor.helpdesk@in.mpms.mufg.com

Share Transfer System: Shares in physical forms, if any, are processed by the Registrar and Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Chief Financial Officer and Company Secretary have been severally empowered to approve transfers. With effect from October 2, 2018, request for transfer of equity shares in physical form are not accepted as per notification issued by Ministry of Corporate affairs dated September 10, 2018.

Distribution of Shareholdings:

Range of Holdings	Number of Shares	Amount (INR)	% to Capital	No. of Shareholders	% of Shareholders
1 to 5,000	142406	1424060	0.08	247	63.50%
Above 5,000 to 10,000	56637	566370	0.04	7	1.80%
Above 10,000	159213277	1592132770	99.88	135	34.70%

Dematerialization of shares and liquidity:

Percentage of shares held in physical form: Negligible

Electronic form with NSDL: 96.86%

Electronic form with CDSL: 3.14%

Details of Credit Ratings obtained

Instrument	Rating Agency	Rating	Outlook
Bank facilities programme	ICRA	A	Stable
Non-convertible debentures	ICRA	A	Stable
Subordinated debt	ICRA	A	Stable
Long-term bank facilities – Fund based	ICRA	A	Stable
Long-term instruments	CARE	CARE A-	Stable
Non-convertible Debenture/Subordinate Debt	ICRA	A	Stable

Address for correspondence

Shareholders/Investors may write to the Company Secretary at the following address:

The Company Secretary

PTI Building, 4th Floor, DP-9,

Sector-5, Salt Lake, Parganas North,

Kolkata-700091, West Bengal, India

Email: compliance@arohan.in

Ph: +91 33 4015 6000

Means of Communication with other stakeholders

All important information relating to the Company and its performance, including financial results, are posted on the website of the Company: www.arohan.in.

The financial results of the Company are published in the leading newspapers viz. The Financial Express as per the Regulation 52 (8), read with Regulation 52 (4) of the SEBI (LODR) Regulations, 2015.

OTHER DISCLOSURES

- Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** None
- Statutory Compliance, Penalties and Strictures:** The Company has complied with all the requirements under the Companies Act, 2013 and of all other regulatory authorities, as applicable. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI on any matter related to the activities of the Company except as mentioned in the Director's Report.
- Disclosures under the Whistle Blower Mechanism of the Company:** The Company has an established mechanism for Directors, Employees, Clients, partners, investors or the public at large to report concerns about unethical behavior, actual or suspected fraud, and violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors, Employees, Clients, partners, investors who avail of the mechanism. The Company has formulated a policy of the vigil mechanism that any personnel may raise reportable matters at an early date after becoming aware of the same. To ensure the highest level of good governance, Arohan's overall whistleblower policy is based on the adoption and implementation of the Arohan's core values and industry best practices.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with all the applicable mandatory requirements of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.
- Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable



- f. **Policy on Dealing with Related Party Transactions:** The Company has formulated a policy on materiality of and dealing with Related Party Transactions. The Policy on Related Party Transactions is annexed as **Annexure- III**.
- g. **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable
- h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not Applicable
- i. **A certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority:** Forms part of the Annual Report
- j. **Where the board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:** During FY 2025-2026, all the recommendations of the various Committees of the Board were accepted by the Board.
- k. **Total fees paid to the Statutory Auditors and all entities in the network firm/ entities:** The details of total fees for all the services paid by the Company to M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors are given below

(INR in Lakhs)

Payment to Statutory Auditor	F.Y 2025-26
Statutory Audit including Limited Review	132.00
Other Services including reimbursement of expenses(*)	32.52
Total	164.52

(*) During the year ended March 31, 2026, an amount of INR 28.32 lakhs has been paid as statutory auditor's professional services for draft red hearing prospectus (DRHP) filing which has been presented under other non-financial assets.

Note: The Certificate from the MD and Deputy CEO & CFO under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, will form part of this report.

- l. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** Forms part of the Director's Report
- m. **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:** Nil
- n. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not Applicable

Details of non-compliance with requirements of Companies Act, 2013: There is no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

Non-compliance of any requirement of corporate governance report of above, with reasons thereof shall be disclosed:
Nil

The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report: The Company being a debt listed entity and has filed a Draft Red Herring Prospectus dated May 15, 2026, and falling within the purview of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") complies with the corporate governance requirements, to the extent applicable.

Declaration signed by the chief executive officer stating that the members of board of directors and senior management have affirmed compliance with the code of conduct of board of directors and senior management: The Company has adopted a Code of Conduct for its Directors and Senior Management which is available on the Company's website www. arohan.in. All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the aforementioned Code. A declaration signed by the Managing Director to this effect forms part of the Annual Report.

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report: Forms part of the Annual Report.

Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

For and on behalf of the Board of Directors

Sd/-

ANURAG AGRAWAL

Promoter Nominee Director

DIN: 02385780

Sd/-

MANOJKUMAR N NAMBIAR

Managing Director

DIN: 03172919

Date: May 21, 2026

Place: Kolkata



ANNEXURE- II

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AROHAN FINANCIAL SERVICES LIMITED
PTI Building, 4th Floor, DP-9, Sector-5, Salt Lake,
Parganas North, Kolkata - 700091

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AROHAN FINANCIAL SERVICES LIMITED** (CIN: U74140WB1991PLC053189) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the Act), amendments thereof and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') insofar as they were applicable to the Company during the audit period:-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client read with Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 as applicable;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as applicable;

We further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that, based on the information, explanations and records made available to us and as represented by the management, the following laws were identified as specifically applicable to the Company having regard to its business activities.

- a) Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notifications and circulars relating to Non- Banking Financial Institution laws from time to time.
- b) Prevention of Money Laundering Act, 2002 and The Prevention of Money-Laundering (Amendment) Act, 2012, as applicable.
- c) IRDAI (Registration of Corporate Agents) Regulations, 2015

We further report that we have relied upon the representation made by the management of the Company, for compliance with the other applicable laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under section 118(10) of the Companies Act, 2013 and to the extent amended from time to time.

- (ii) The Listing Agreements entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company, which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has obtained approval of the Members by way of Special Resolution passed at the Extra-Ordinary General Meeting held on March 25, 2026 for undertaking an Initial Public Offering ("IPO") comprising a fresh issue of equity shares aggregating up to Rs. 7,500 million and/or an offer for sale, and for listing of its equity shares on one or more recognised stock exchanges, pursuant to the provisions of the Companies Act, 2013, SEBI regulations and other applicable laws.

We further report that the Company has adopted the altered Articles of Association during the year to confirm the



requirements and directions of the relevant Stock Exchange(s) prior to filing of the Draft Red Herring Prospectus ("DRHP") with SEBI and concerned Stock Exchange(s) along with other matters.

We further report that, during the audit period, the Company had obtained approval of the shareholders by way of Special Resolution for the following matters:

a) Extra Ordinary General Meeting held on April 22, 2025

- (i) Appointment of Mr. Narasimha Kummamuri Murthy (DIN: 00023046), as a Non-Executive Independent Director of the Company.

b) Annual General Meeting held on August 12, 2025

- (i) Borrowing limits not exceeding Rs 10,000 Crores at any point of time pursuant to Section 180(1)(c) of the Companies Act, 2013.
- (ii) Creation of charge on the movable and immovable properties of the Company, provided that the total amount so secured shall not exceed INR 10,000 Crores at any point of time pursuant to Section 180(1)(a) of the Companies Act, 2013.
- (iii) Issuance of Non-Convertible Debentures ("NCDs") on private placement basis, exceeding the prescribed limits, up to an amount of INR 5,000 Crores within the overall borrowing limits of the Company pursuant to Sections 42 and 71 of the Companies Act, 2013.
- (iv) Payment of commission to the Directors other than Executive Director for the Financial Year 2024-25 exceeding one per percent but not exceeding two percent of the net profit in aggregate.

- (v) Payment of commission to Mr. Vineet Chandra Rai and Mr. Anurag Agrawal, Non-Executive Nominee Directors of the Company, for the Financial Year 2025-26 pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013.

- (vi) Create, offer and grant up to 5,00,000 (Five Lakhs) equity shares as Employee Stock Options to the eligible employees and Directors of the Company, as determined in terms of ESOP Plan 2021.

c) Extra Ordinary General Meeting held on March 25, 2026

- (i) Adoption of a new set of Articles of Association of the Company.
- (ii) Undertaking an Initial Public Offer ("IPO").
- (iii) Increase in the investment limits for Non-Resident Indians ("NRIs") and Overseas Citizens of India ("OCIs") from 10% up to 24% of the paid-up equity share capital of the Company.
- (iv) Reappointment of Mr. Manoj Kumar Nambiar (DIN: 03172919) as Managing Director of the Company.
- (v) Amendment to the Arohan Employee Stock Option Plan 2010, Arohan Employee Stock Option Plan 2018 and Arohan Employee Stock Option Plan 2021.

We further report that the Company has filed the Draft Red Herring Prospectus (DRHP) dated May 15, 2026 with the Securities and Exchange Board of India (SEBI) and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed.

This Report is to be read with our letter of even date which is annexed "**Annexure A**" and forms an integral part of this Report.

For **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 5598/2024

Sd/-
[M R Goenka]
Partner
FCS No.: 4515
C P No.: 2551
UDIN : F004515H000446341

Place: Kolkata
Date: 21.05.2026

ANNEXURE- A

TO THE SECRETARIAL AUDIT REPORT OF AROHAN FINANCIAL SERVICES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records and also based on opinions furnished to us by the Company. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. As regard the books, papers, forms, reports and returns

filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said provisions is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said provisions of the Act. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

6. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
7. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/ agencies/authorities with respect to the Company.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
9. This report pertains solely to the compliances and other applicable matters arising during the audit period from April 1, 2025, to March 31, 2026.

For **MR & Associates**
Company Secretaries
A Peer Reviewed Firm
Peer Review Certificate No.: 5598/2024

Sd/-
[M R Goenka]
Partner
FCS No.: 4515
C P No.: 2551
UDIN : F004515H000446341

Place: Kolkata
Date: 21.05.2026



ANNEXURE- III

POLICY ON RELATED PARTY TRANSACTION

1. Purpose of this policy:

Arohan Financial Services Limited (**"the Company"**) is governed, amongst others, by the rules and regulations framed by the Reserve Bank of India (**"RBI"**), the Companies Act, 2013, as amended and the Securities Exchange Board of India (**"SEBI"**).

The Company has always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI LODR Regulations"**) and such other regulatory provisions, as may be applicable.

SEBI LODR Regulations have also mandated every listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

- A. Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (the **"Policy"**). This Policy regulates all transactions between the Company and its Related Parties (as defined below).
- B. The Board of the Directors (the **"Board"**) on recommendation of the Audit Committee of the Company (the **"Audit Committee"**) shall review the Policy once in three years and may amend the same from time to time.

In order to comply with these requirements and as a good corporate governance practice, this Policy is adopted for implementation by the Board of the Company.

2. Scope

- A. Identifying related party and related party transactions.
- B. Obtaining approvals before entering into any Related Party Transactions as per the Policy, applicable Accounting Standards, the Act and the SEBI LODR Regulations.

- C. Relevant documentation supporting the related party transactions.
- D. Determining the disclosures / compliances to be adhered in relation to the related party transactions as per applicable law to related party transaction.

3. Objectives

This policy is framed as per the requirement of Regulation 23 of the SEBI LODR Regulations to ensure the proper approval and reporting of transactions between the Company and its related parties as determined under SEBI LODR Regulations, the Act and rules prescribed thereunder, and any other laws and regulations as may be applicable to the Company.

The Company is required to disclose in its annual financial statements and Board's report, certain transactions between the Company and related parties as well as policy relating thereto. This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the annual report.

4. Definition

1. **"Act"** shall mean the Companies Act, 2013 and the rules thereunder and includes any amendment thereof.
2. **"Key Managerial Personnel"** in relation to the Company, shall mean —
- (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the Company secretary;
 - (iii) the Whole-time director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed;
3. **"Relative"** shall have the same meaning as assigned to them under the Act.

4. **"Arm's Length Transaction"** shall mean a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
5. **"Ordinary Course of Business"** shall mean the usual transactions, customs and practices carried on generally by the Non-Banking Financial Companies and shall include:
- i. transactions covered in the 'main objects' or the 'objects incidental' to attainment of the main objects as envisaged in the Memorandum and Articles of Association of the Company;
 - ii. transactions which are usually carried on by any Non-Banking Financial Company;
 - iii. transactions which has been done by the Company regularly in last three (3) years;
 - iv. transactions done with a related party on a similar basis as of a third party;
 - v. transaction or activity that is necessary, normal, regular and incidental to the business and involves significant amount of money or managerial resources that generates income for the Company

Any other term not defined herein shall have the same meaning as defined in the Act or any other applicable law or regulation and as amended from time to time.

6. **"Related Party"** shall have the same meaning as assigned to them under section 2(76) of the Act or under the applicable accounting standards and as defined in Regulation 2(1)(zb) of the SEBI LODR Regulations. However, (a) any person or entity belonging to the promoter or promoter group of the Company, or (b) any person or entity holding equity shares of 10% or more in the Company either directly or on a beneficial interest basis as provided under the Act, at any time, during the immediately preceding financial year, shall be deemed to be a related party.
7. **"Related Party Transaction"** or **"RPT"** shall have the same meaning as assigned to them under clause (a) to (g) of Section 188(1) of the Act and as defined in Regulation 2(1)(zc) of the SEBI LODR Regulations.
8. **"Material Related Party Transaction"** - shall means a transaction with a Related Party if the transaction

/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the scale-based, turnover linked thresholds specified in Schedule XII of the SEBI LODR Regulations. For this purpose, any transaction involving payments made to Related Party with respect to brand usage or royalty, either individually or taken together with previous transactions during a financial year, exceeding five percent (5%) of the annual consolidated turnover of the Company as per the Company's last audited financial statement, shall also be considered as Material Related Party Transaction. The RPT materiality threshold increases with the increase in the annual consolidated turnover of the listed entity as per last audited financial statements, though at a reduced rate, which determines material RPTs for approval by shareholder. The new thresholds are as follows:

Consolidated Turnover of Listed Entity Threshold	Materiality Threshold
(i) Up to ₹ 20,000 crore	10% of the annual consolidated turnover of the listed entity
(ii) More than ₹ 20,000 crore to ₹ 40,000 crore	₹ 2000 crore + 5% of the annual consolidated turnover of the listed entity above ₹ 20,000 crore
(iii) More than ₹ 40,000 crore	₹ 3000 crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 crore or ₹5000 crores whichever is lower

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

9. **"Material Modification"** shall mean "Material Modification" in terms of SEBI LODR Regulations, i.e., any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.



Any other term not defined herein shall have the same meaning as defined in the Act or any other applicable law or regulation and as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

5. Review and approval of Related Party Transactions:

Identification of Related Parties

1. Each Director and KMP shall disclose to the Company Secretary in form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/she is interested, whether directly or indirectly. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.
2. The Company Secretary shall compile the information received from all concerned and send the information about such Related Parties to the respective functional heads (i.e. accounts, finance, legal, human resources, marketing etc.), business heads and any other concerned person for their information and any necessary action.
3. The concerned functional / business head shall forward to the Company Secretary and Chief Financial Officer, the details of any proposed Related Party Transaction with the draft terms and conditions or other related information and certifying that such transactions are at Arm's Length and in the ordinary course of business. The Company Secretary or the Chief Financial Officer, upon receipt of such information, will furnish the same to Audit Committee for its approval and further action, if any.
4. Any proposed modification(s) in the Related Party Transactions already entered into shall be intimated to the Company Secretary and Chief Financial Officer by the functional/ business head, which shall be placed before the Audit Committee for its prior approval in accordance with this Policy.

Approval of Related Party Transactions

A. Audit Committee

All the transactions which are identified as Related

Party Transactions and subsequent Material Modifications thereof, shall be approved by the Audit Committee in the manner specified under the SEBI LODR Regulations and the provisions of the Act. Only those members of the audit committee, who are independent directors, shall approve/recommend related party transactions. Where the Audit Committee does not approve the Related Party Transactions, other than prescribed in Clauses (a) to (g) of Section 188(1) of the Act, it shall make its recommendations to the Board for approval. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

However, remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI LODR Regulations.

5.A.1 - Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors and of shareholders as discussed subsequently.

5.A.2 - The Audit Committee may grant Omnibus Approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- i. It shall, after obtaining approval of the Board of Directors, lay down the criteria for granting the omnibus approval on annual basis in line with the Policy, which shall include the following, namely:
 - (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - (b) the maximum value per transaction which can be allowed;
 - (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

- (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 - (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.
- ii. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - (a) repetitiveness of the transactions (in past or in future);
 - (b) justification for the need of omnibus approval.
 - iii. It shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.
 - iv. Such omnibus approval shall specify –
 - a) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - b) The indicative base price / current contracted price and the formula for variation in the price if any, and
 - c) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 (One) Crore per transaction.
 - v. It shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
 - vi. Such omnibus approvals shall be valid for a period not exceeding 1 (one) financial year and shall require fresh approvals after the expiry of 1 (one) financial year.
 - vii. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

viii. Any other conditions as laid down in SEBI LODR Regulations and the Audit Committee may deem fit.

ix. The Audit Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down under Section 177 of the Act and Regulation 23 of the Listing Regulations. Additionally, subject to the Act, the Audit Committee may also grant omnibus approval for Related Party Transactions of unforeseen nature not exceeding Rs.1,00,00,000 per transaction.

5.A.3 - A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
- (v) any other condition as specified by the audit committee:
Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.
- (vi) any Related Party Transaction entered into by a Director/ officer of the Company involving an amount



not exceeding Rs. 1,00,00,000 which has been undertaken without obtaining the prior approval of the Audit Committee, or which is not ratified within 3 (three) months of entering into such transaction, or which is not material in terms of the provisions of the SEBI LODR Regulations shall be voidable at the option of the Audit Committee and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

5.A.4 - The Company shall provide all information as provided under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 to the Audit Committee/ shareholders, when approval on a Related Party Transaction is sought.

5.A.5 - The Audit Committee shall review the following while approving the Related Party Transactions as specified above:

- Whether the transaction is in the ordinary course of business and on an arms' length basis?
- The reasons for entering into the transaction and the consequences of entering into the said transaction, with an unrelated party.
- Whether there is any conflict of interest for any director or Key Managerial Personnel?
- Whether there any reputational risks are envisaged as a result of the said Related Party Transaction?
- Type, Material terms and particulars of the proposed transaction.
- Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).
- Value of the proposed transaction.
- Tenure of the proposed transaction.
- The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- the transaction relates to any loans, inter-corporate deposits, advances or investments

made or given by the listed entity or its subsidiary:

i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

- Justification as to why the RPT is in the interest of the Company;
- copy of the valuation or other external party report, if any such report has been relied upon;
- percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- Any other information that may be relevant.

B. Board of Directors:

(A) The following related party transactions shall be placed before the Board of Directors for approval, after the approval of the Audit Committee:

- Related party transactions referred by the Audit Committee;
- Related party transactions not on arm's length basis, and/or;
- Related party transactions not in the ordinary course of business.

The following Related Party Transactions which are not in the ordinary course of business or are in the ordinary course of business but are not on Arm's Length basis shall require prior approval of the Board:

- Sale, purchase or supply of any goods or materials; or
- Selling or otherwise disposing of, or buying, property of any kind; or
- Leasing of property of any kind; or
- Availing or rendering of any services; or
- Appointment of any agent for purchase or sale of goods, materials, services or property; or

- Such Related Party's appointment to any office or place of profit in the Company, its Subsidiary or Associate Company; or

- Underwriting the subscription of any securities or derivatives thereof, of the Company

In addition to the above, the following kinds of transactions with related parties should also be placed before the Board of Directors for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval
- Transactions meeting the materiality thresholds laid down in Clause D of the Policy, which are intended to be placed before the shareholders for approval

(B) All the Material Related Party Transactions shall be considered and approved by the Board before the same are considered by the shareholders for their approval except for (i) those transactions which are between the Company and its wholly-owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval; and (ii) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval; (iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand; (iv) transactions entered into between a public sector company on one hand and the Central Government

or any State Government or any combination thereof on the other hand; and (v) transactions entered into between two public sector companies.

(C) Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such Related Party Transaction.

(D) Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

C. Approval of the Shareholders;

C.1 - If a related party transaction is (i) a material transaction as per Section 188 of the Act, or (ii) a material transaction as per Regulation 23 of the SEBI LODR Regulations or (iii) A transaction exceeding the threshold limit of as approved by Board of Directors from time to time. (iv) any subsequent material modification thereto (iv) transaction not in the ordinary course of business, or (v) not at arm's length price it shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a related party shall not vote on resolution passed for approving such related party transaction and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Subject to the provisions of Regulation 23(4) of the SEBI LODR Regulations, all Material Related Party Transactions require the prior approval of the shareholders' and their approval will be sought by way of a resolution. No Related Parties shall vote to approve the Material Related Party Transactions, irrespective of whether the entity is a party to the particular transaction or not, provided that the requirements under this sub-para shall not apply in respect of a resolution plan approved under Section



31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed at the Stock Exchanges within 1 (one) day of the resolution plan being approved. Further, as clarified by SEBI via circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.

C.2 - In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post

facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which exceeds the thresholds laid down in the Companies (Meetings of Board and its Powers) Rules, 2014 and all material related party transactions as per Regulation 23 of the SEBI LODR Regulations shall be placed before the shareholders for their approval.

- D.**
1. Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules.
 2. Transactions with a Related Party covered under Regulation 23(1) and (1A) of the SEBI LODR Regulations.

The approval policy framework is given below:

Audit Committee Approval (only those members who are Independent Directors)	Board approval	Shareholders' approval
All Related Party Transactions	Related Party Transactions referred by the Audit Committee for approval of the Board. Related Party Transactions not in the ordinary course of business and not on arm's length basis.	Material and subsequent material modification related party transactions not in the Ordinary Course of Business and/or not at Arm's length basis and/or exceeds the prescribed threshold limit as per the Act and as per Regulation 23 of the SEBI LODR Regulations.

E. Evaluation Process of Related Party Transactions

1. To approve a Related Party Transaction, the Committee/ Board/ Shareholders, shall be provided all relevant material information of such transaction, including the terms and such other details as required under the Act, the SEBI LODR Regulations or by the Audit Committee/ Board, as the case may be. While approving a Related Party Transaction, the Audit Committee/ Board will consider the following factors, among others, to the extent relevant:
 - a. whether the terms on which Related Party

Transaction is proposed are fair and on arm's length basis to the Company;

- b. whether the Related Party Transaction would affect the independence of an independent director;
- c. whether the Related Party Transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction; and
- d. whether the Related Party Transaction would present conflict of interest for any Director or KMP of the Company.

- e. whenever there is any doubt with regard to transactions with Related Parties and/or the applicable corporate governance requirements, the Audit Committee/ Board shall be entitled to seek a legal opinion/clarification for the same.

2. The Audit Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.
3. In the event any Director, KMP or any other employee becomes aware of any Related Party Transaction that has been omitted to be approved by the Audit Committee/ Board/ shareholders or is in deviation of this Policy, such person shall promptly notify the company secretary of the Company, of such transaction, who shall ensure that such transaction is brought to the notice of the Audit Committee or the Board, as applicable, at the earliest.
4. The Audit Committee/ Board shall evaluate such transactions and may decide as it considers appropriate, subject to the Act and the SEBI LODR Regulations, necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

F. Reporting of related party transactions

In terms of the provisions of Section 134(3)(h) of the Act, ever contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of all transactions with related parties shall be

submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the SEBI LODR Regulations and the same shall be published on the Company's website in accordance with Regulation 23(9) of the SEBI LODR Regulations. This Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall also be provided in the annual report of the Company. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

G. Adoption

This policy shall be reviewed by the Board of Directors at least once in every 3 (three) years, updated accordingly and any changes made during the annual reviews shall be adopted by the resolution of the Board of Directors. The Policy shall be published on website of the Company and shall be disclosed in the Annual Report of the Company.

H. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI LODR Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

I. Disclosure of the Policy

This Policy will be uploaded on the website of the Company.



ANNEXURE- IV

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

Arohan Financial Services Limited ("Arohan") believes that true business success must be evaluated not just economically, but also by its positive social and environmental impact. As a purpose-driven entity, Arohan is deeply committed to fostering holistic human development in the communities it serves—especially those that are economically and socially marginalized, where challenges like illiteracy, health, unemployment, and are widespread.

With this understanding, Arohan's CSR initiatives are carefully designed to align with its mission of empowering underserved populations. These programs are separate from our primary business operations and are never treated as profit-driven ventures. Instead, they represent genuine, non-profit efforts to uplift vulnerable communities.

Through sustained engagement and empathetic action, Arohan seeks to deepen its connection with marginalized groups and promote their welfare. In keeping with our values, CSR is more than a compliance activity—it is an opportunity to extend meaningful support, deliver non-profit-driven assistance, and create lasting positive change in the lives of the people we serve.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. John Arunkumar Diaz	Non-Executive Independent Director, Chairperson	2	2
2.	Mr. Anurag Agrawal	Promoter Nominee Director	2	2
3.	Mr. Manojkumar N Nambiar	Managing Director	2	2
4.	Mr. Wilhelmus Marthinus Maria Van Der Beek	Non-Executive Nominee Director	2	2

3. Provide the Web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

CSR Policy: <https://www.arohan.in/wp-content/themes/arohan/resources/corporate-social-responsibility-policy.pdf>

CSR Committee Composition: <https://www.arohan.in/arohan-story/board-committees/>

CSR Projects approved: <https://www.arohan.in/wp-content/uploads/2026/06/annual-action-plan-for-csr-activities-fy-26-27.pdf>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. **Not Applicable**

5. (a) Average net profit of the company as per sub-section (5) of section 135. – INR 2,13,46,70,755

(b) Two percent of average net profit of the company as per sub-section (5) section 135. – INR 4,26,93,415

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – NA

(d) Amount required to be set off for the financial year, if any. – NA

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. – INR 4,26,93,415

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). – INR 4,05,58,746

(b) Amount spent in Administrative Overheads. – INR 20,27,937

(c) Amount spent on Impact Assessment, if applicable. – NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. – INR 4,25,86,683

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.				
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
4,25,86,683	NA	NA	Prime Minister's National Relief Fund	1,06,740	20-04-2026

(f) **Excess amount for set-off, if any:**

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	4,26,93,415
(ii)	Total amount spent for the Financial Year	4,25,86,683
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1	2022-23	1,50,000	15,000	-	-	-	15,000	-
2	2023-24	-	-	15,000	-	-	-	-
3	2024-25	6,31,260	0	-	-	-	6,31,260	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ YES ☒ NO

If Yes, enter the number of Capital assets created/ acquired

NA



Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset (s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **The unspent CSR was left in Admin expenses which has been transferred to Prime Minister’s National Relief Fund as per the Companies Act, 2013.**

Sd/-
John Arunkumar Diaz
Chairperson, CSR Committee
DIN: 00493304

Sd/-
Manojkumar N Nambiar
Managing Director
DIN: 03172919

Date: May 21, 2026
Place: Kolkata

ANNEXURE- V
A STATEMENT SHOWING THE NAME OF EVERY EMPLOYEE OF THE COMPANY, WHO –

a) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakh rupees;

Sl. No	Particulars	Details	Details	Details	Details	Details	
1	Name & Designation	Manojkumar N Nambiar – Managing Director	Milind Ramchandra Nare – Deputy Chief Executive Officer and Chief Financial Officer	Anirudh Singh Thakur- Company Secretary and Chief Compliance Officer	Shailesh Kumar – Chief Business Officer	Ranjan Das – Chief Risk Officer	
2	Remuneration received (including variable pay) (INR in lakh)	395.63	228.02	182.59	155.76	153.30	
3	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	
4	Qualification and Experience	Manojkumar N Nambiar is the Managing Director of our Company. He has been a Director since October 2012, when he was appointed as the Managing Director of our Company with effect from October 3, 2012. He holds a bachelors of engineering (mechanical branch) degree from VJ Technical Institute, University of Bombay, Maharashtra and a masters of management studies degree from Jamnalal Bajaj Institute of Management Studies, University of Bombay, Maharashtra and has completed pre-recruitment examinations for general insurance agents from the Insurance Institute of India, Maharashtra. He has completed "HDFC Life Strategy in the Age of Artificial Intelligence Programme" held at INSEAD, Fontainebleau, France. He has also completed the "Strategic Leadership for Microfinance" course from Harvard Business School, U.S.A., "Strategem - Strategy meets Leadership" course from INSEAD Fontainebleau, France, "HDFC Life Leadership Program, 'Leading for Impact' from IMD", and "Enabling Strategic Impact in the Boardroom" at London Business School, London, United Kingdom. He has been working with various companies in the fields of business development, consumer banking and finance and microfinance across India and the Middle East. Previously, he was associated with Modi Xerox India Limited (formerly, Modi Xerox Services Limited, ANZ Grindlays Bank, ABN Amro Bank N.V., National Bank of Oman, Alharam Company for Investment in Trade and Ahi Bank. He is the director of the governing body of Microfinance Institutions Network (MFIN), Chairperson of the Governing Board of Trustees at Association of Microfinance Institutions, West Bengal and is also the lead of the steering committee, AMFIS'21, Assam. He is also on the Board of Aavishkaar Venture Management Services Private Limited and Intellectap Advisory Services Private Limited. He has over 33 years of experience in the banking industry.	Milind Ramchandra Nare is the Deputy Chief Executive Officer of our Company and has been associated with our Company since April 28, 2016. He was appointed as the Chief Financial Officer of the Company with effect from May 9, 2016 and as the Deputy Chief Executive Officer on August 14, 2025. He holds a bachelor of commerce degree from University of Bombay, Maharashtra and a master of financial management degree from Pondicherry University, Union Territory of Puducherry. He has also completed the certification program on "Strategic Leadership in Inclusive Finance" from Harvard Business School, Boston. He is a finance professional with over 30 years of experience in finance. He is responsible for overseeing our Company's key functions including finance, treasury, credit, technology, human resources, training, and administration, and is also responsible for engagement with investors, lenders, regulators, rating agencies, and other external stakeholders. Prior to joining our Company, he was the chief finance officer of India Factoring and Finance Solutions Private Limited. He has also worked at Global Trade Finance Limited, The Bombay Dyeing & Manufacturing Company Limited, Pam Pharmaceutical & Allied Machinery Company Private Limited and L&T Finance Limited. He was conferred the "Best CFO – BFSI (Large sized enterprises)" award for 2020 at the 8th CFO Summit Awards, 2021 by the All India Association of Industries.	Anirudh Singh Thakur is the Company Secretary and Chief Compliance Officer of our Company and has been associated with our Company with effect from October 1, 2017. He holds a bachelor of science degree from Nagpur University, Maharashtra and a bachelor of law degree from Nagpur University, Maharashtra. He is an associate member of the Institute of Company Secretaries of India, New Delhi. He passed the Limited Insolvency Examination conducted by the Insolvency and Bankruptcy Board of India, New Delhi. He is responsible for our Company's legal and regulatory standing, overseeing the integrity of our governance protocols while spearheading the risk management strategies that protect our corporate reputation. He has over 26 years of experience in corporate law, commercial law, compliance, corporate legal and litigation. Prior to joining our Company, he worked as a legal consultant, and has also worked with India Factoring and Finance Solutions Private Limited, Global Trade Finance Limited, Intelnet Global Services Limited, Premier Auto Electric Limited and Pix Transmissions Limited, in their respective legal and secretarial departments. He received the 'Governance Professional of the Year' award at the 20th ICSI National Awards for Excellence in Corporate Governance, 2020. In 2022, he was named as a recipient of the Diligent Modern Governance 100 in the 'Boards and Governance Innovator' category.	Shailesh Kumar is the Chief Business Officer of our Company and has been associated with our Company since April 1, 2018. He is responsible for leading all aspects of our Company's business, encompassing organic, inorganic and MFI alliances from both, strategic and tactical perspectives, including central operations across all products, as well as the debt recovery function of the Company. He holds a bachelor of arts (English) degree from Babasaheb Bhimrao Ambedkar Bihar University, Bihar. He has over 25 years of experience in banking. Prior to joining our Company, he was associated with ICICI Bank Limited and the State Bank of India.	Ranjan Das is the Chief Risk Officer of our Company and has been associated with our Company since July 1, 2017. He is responsible for the overall risk management and control, portfolio risk analytics, credit and product policy approvals, large ticket credit risk underwriting enterprise risk management, risk modelling and information security risk management of our Company. He holds a bachelor's degree in science from University of Calcutta and master's degree in business management from the University of Calcutta. He has over 29 years of experience in the financial sector. Prior to joining our Company, he was associated with Nicco Uco Financial Services Ltd, Indian Container Leasing Company Limited, Citicorp Finance (India) Limited and Magma Fincorp Limited.	Abin Kumar Mukhopadhyay is the Head of Internal Audit and Vigilance of our Company and has been associated with our Company since July 1, 2015. He is responsible for giving assurance on the internal control arrangements and promoting good corporate governance in our Company. He is a qualified chartered accountant and a member of the Institute of Chartered Accountants of India. He is also a chartered management accountant (admitted as an associate of the Chartered Institute of Management Accountants), a certified information systems auditor (as certified by the Information Systems Audit and Control Association), a certified fraud examiner (as certified by the Association of Certified Fraud Examiners) and an associate of the Insurance Institute of India. He is the President of the Institute of Internal Auditors of India, Calcutta chapter for the Fiscal 2026. He has over 24 years of experience in audit, accounting and management. Prior to joining our Company, he has worked with Eveready Industries India Limited, ITC Limited, Colgate-Palmolive (India) Limited, Hindustan Motors Limited and Gumastol Rubber-Tec GmbH.



a) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore Two Lakh rupees; (contd.)

Sl. No	Particulars	Details	Details	Details	Details	Details
5	Date of commencement of employment	October 03, 2012	May 09, 2016	October 23, 2017	April 01, 2018	July 01, 2017
6	Age	61	55	53	54	55
7	The last employment held	MD & CEO of Intellectash & Policy Manager of Poonawalla Fincorp Limited (erstwhile Magma Fincorp Limited).	Chief Financial Officer of India Factoring and Finance Solutions Pvt. Ltd.	Legal Consultant	Business Head of Intellectash Microfinance Network Company Private Limited.	Vice President- National Product & Policy Manager of Poonawalla Fincorp Limited (erstwhile Magma Fincorp Limited).
8	% of equity shares held	NIL	10000 equity shares (0.0063%)	NIL	NIL	NIL
9.	Whether he is a relative of any director or manager of the company and if so, the name of such director or manager.	NO	NO	NO	NO	NO

b) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month:

Sl. No.	PARTICULARS	DETAILS
1.	Name & Designation	Arvind Murarka- Chief Information Officer
2.	Remuneration received (including variable pay) (INR in lakhs)	43.60
3.	Nature of employment whether contractual or otherwise	Permanent
4.	Qualification and Experience	Arvind Murarka is the Chief Information Officer of the Company. He was associated with our Company from August 2015 until February 2025, and re-joined our Company from February 13, 2026. He is responsible for overseeing the infrastructure of technical operations, tracking the technology and the information technology team to achieve goals, meet quotas, eliminate security risks, increase user satisfaction and maintain information technology infrastructure, operations and systems/ application. He holds a bachelor's degree in commerce from Calcutta University. He holds a master's degree in business administration from the Institute of Chartered Financial Analysts of India University, Sikim and has completed the course titled 'data analytics essentials' from the National Institute of Information Technology, New Delhi. He has also completed advanced leadership and technology certifications from Indian Institute of Management Lucknow, IBM, and NIIT, New Delhi. He has experience of over 27 years across multiple industries including information technology consulting, healthcare, infrastructure, food processing, and retail. Prior to joining our Company, he has worked with GPT Infraprojects Limited, Medica Pharmacy Private Limited, IntraSoft Technologies Private Limited, iNavigators Private Limited, Softweb Technologies Private Limited, Amrit Feeds Limited and Kris Systems Private Limited.
5.	Date of commencement of employment	February 13, 2026
6.	Age	54
7.	Last employment held	Chief Information Officer of Spandana Sphoorty Financial Limited
8.	% of equity shares held	NIL
9.	Whether he is a relative of any director or manager of the Company and if so, the name of such director or manager	No

c) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. **NIL**

d) None of the abovementioned employees are the relatives of the directors of the Company.

For and on behalf of the Board of Directors

Sd/-
ANURAG AGRAWAL
PROMOTER NOMINEE DIRECTOR
DIN: 02385780

Sd/-
MANOJKUMAR N NAMBIAR
MANAGING DIRECTOR
DIN: 03172919

Date: May 21, 2026

Place: Kolkata

ANNEXURE- VI EMPLOYEE STOCK OPTION PLAN (ESOP)

Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

Sr. No.	Particulars	Remarks
1	Number of Options outstanding at the beginning of the year	5,630,384
2	Number of Options granted during the year	1,255,672
3	Number of Options vested during the year	1,113,819
4	Number of Options exercised during the year	0
5	Number of shares arising as a result of exercise of Options	0
6	Number of Options forfeited / lapsed during the year	198,550
7	Exercise price (in Rs.)	84.70/130/162.80/170/210/153.94/124/148.35
8	Money realized by exercise of Options (in Rs.)	0
9	Number of Options outstanding/ in force at the end of year	6,687,506
10	Number of Options exercisable at the end of year	4,103,975
11	Total number of Options available for grant	280,606
12	Variation of terms of Options	Nil

Employee-wise details of Options granted during the year to:

1. Key Managerial Personnel

1	Manojkumar N Nambiar	50,000
2	Milind R Nare	50,000
3	Anirudh Singh Thakur	50,000

2. Any other employee who receives a grant of options in any one year amounting to five percent or more of options granted during that year- **NIL**
3. Identified employees who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant- **NIL**

#Note 1: All the three plans, viz., Employee Stock Option Plan 2010, Employee Stock Option Plan 2018 and Employee Stock Option Plan 2021, are included herein.

#Note 2: Key Managerial Personnel have been considered as per the Companies Act, 2013 only.

For and on behalf of the Board of Directors

Sd/-
ANURAG AGRAWAL
Promoter Nominee Director
DIN: 02385780

Sd/-
MANOJKUMAR N NAMBIAR
Managing Director
DIN: 03172919

Date: May 21, 2026

Place: Kolkata



CERTIFICATION BY MD & DEPUTY CEO & CFO IN TERMS OF REGULATION 17(8)

To
The Board of Directors
Arohan Financial Services Limited

Dear Members of the Board,

Sub: Certification by Managing Director and Deputy Chief Executive Officer & Chief Financial Officer in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- We, the undersigned, in our respective capacities as the Managing Director and Deputy Chief Executive Officer & Chief Financial Officer of Arohan Financial Services Limited ("the Company"), in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby certify that:

We have reviewed the Financial Statements, including the Cash Flow Statement, of the Company for the Financial Year ended March 31, 2026 and to the best of our knowledge and belief, we state that:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or in violation of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely

Sd/-
Manojkumar N Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: May 21, 2026

Sd/-
Milind Ramchandra Nare
Deputy Chief Executive Officer
and Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Arohan Financial Services Limited
PTI Building, 4th Floor, DP 9, Sector 5, Salt Lake,
Parganas North, Kolkata 700 091, West Bengal, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arohan Financial Services Limited** (CIN:U74140WB1991PLC053189) and having registered office at PTI Building, 4th Floor, DP 9, Sector 5, Salt Lake, Parganas North, Kolkata 700 091, West Bengal, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Regulatory/Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Dinesh Kumar Mittal	00040000	15/05/2018
2.	Wilhelmus Marthinus Maria Van Der Beek	02142559	05/12/2016
3.	Vineet Chandra Rai	00606290	24/10/2013
4.	Manojkumar N Nambiar	03172919	03/10/2012
5.	Anurag Agrawal	02385780	03/10/2012
6.	Sriradha Ramana Saripalli	07165124	23/05/2025
7.	Kummamuri Narasimha Murthy	00023046	12/02/2025
8.	Jose J Kattoor	09213852	28/09/2024
9.	Karina Isabel Alva Alfaro	10377372	10/11/2023
10.	Ulhas S Deshpande	00017235	15/01/2024
11.	John Arunkumar Diaz	00493304	03/01/2024
12.	Rupa Rajul Vora	01831916	08/08/2023
13.	Nitish Chawla	07676758	31/05/2023
14.	Stephen Dongwon Lee*	08640160	01/12/2022

* Mr. Stephen Dongwon Lee (DIN: 08640160) has resigned from the Company with effect from May 8, 2026 due to his personal reasons.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Prateek Kohli & Associates**
Company Secretaries

Sd/-
Prateek Kohli
Partner
C.P. No.: 16457

Place: Kolkata
Date: 03/07/2026
Peer Review Certificate No. 2042/2022
UDIN: F011511H000741746



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Arohan Financial Services Limited
PTI Building, 4th Floor, DP 9, Sector 5, Salt Lake,
Parganas North, Kolkata 700 091, West Bengal, India

We have examined the compliance of the conditions of Corporate Governance by **Arohan Financial Services Limited** ('the Company'). The Company being a debt listed entity and has filed a Draft Red Herring Prospectus dated May 15, 2026, and falling within the purview of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") complies with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as amended from time to time, to the extent applicable

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certifications.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations to the extent applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Kolkata
Date: 03/07/2026
Peer Review Certificate No. 2042/2022
UDIN: F011511H000741900

For **Prateek Kohli & Associates**
Company Secretaries

Sd/-
Prateek Kohli
Partner
C.P. - 16457

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

Arohan Financial Services Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

It is hereby confirmed that the Company has obtained affirmation from all the Board Members and Senior Management Personnel that they have complied with the said Code for the Financial Year 2025-26.

For and on behalf of the Board of Directors

Sd/-
Manojkumar N Nambiar
Managing Director
DIN: : 03172919

Date: May 21, 2026
Place: Kolkata



INDEPENDENT AUDITOR'S REPORT

To the Members of Arohan Financial Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arohan Financial Services Limited (the "Company") and ESOP trust ("Trust") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Statements 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

Impairment loss allowance on loans to customers

Refer to the accounting policies in "Note 3 (xi) to the financial statements: Impairment of financial assets", "Note 3 (i) a and 3(i) b to the financial statements: Material Accounting Policies - use of estimates and judgments" and "Note 7 and 36 to the financial statements: Loans and Impairment on financial instruments"

The key audit matter	How the matter was addressed in our audit
Impairment loss allowance on loans of Rs. 17,767.76 lakhs as at 31 March 2026	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:
Charge to statement of profit and loss (including net write off): Rs. 30,842.36 lakhs for the year ended 31 March 2026	Testing of design and operating effectiveness of controls:
Under Ind AS 109, Financial Instruments, impairment loss allowance is determined using expected credit loss ("ECL") model.	Performing end to end process walkthroughs to identify the key systems, applications and controls used in computation of impairment loss allowance on loans. Testing the relevant manual, general IT and application controls over key systems used in the impairment of loss allowance on loans.
Recognition and measurement of impairment loss allowance on loans involves significant judgement and estimates. The key areas where increased levels of audit focus in the Company's estimation of impairment loss allowance on loans are:	Key aspects of our testing of the design, implementation and operating effectiveness involves the following:
a) Data inputs - The application of ECL model requires several data inputs. This increases the risk of irrelevant data used to create assumptions in the model.	a) Testing the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.
b) Model estimations - Inherently judgmental models are used to estimate impairment loss allowance on loans which involves determining, Probabilities of Default, Loss Given Default, and Exposures at Default. The Probabilities of Default and the Loss Given Default are the key drivers of estimation complexity in ECL model and hence are considered the most significant judgmental aspect of the Company's modelling approach.	b) Testing the key 'Governance Framework' controls over evaluation, implementation and model monitoring.
c) Economic scenario: Ind AS 109 requires the Company to measure impairment loss allowance on loans in an unbiased forward-looking basis reflecting a range of future economic scenarios. Significant judgement is applied in determining the economic scenarios used and the probability weights applied to them.	c) Testing the key controls over the application of the staging criteria and computation of impairment loss allowance.
	d) Testing the key controls operating over the information used in the computation of impairment loss allowance on loans including system access, change management, program development and computer operations.
	e) Testing the key controls relating to selection and implementation of key macro-economic variables and the controls over the scenario selection and application of probability weights.
	f) Testing management's controls over authorisation and computation of post model adjustments and additional provision.
	g) Testing the Company's controls on compliance with Ind AS 109 disclosures related to impairment loss allowance on loans.



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Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

The key audit matter	How the matter was addressed in our audit
d) Post model adjustments / additional provision: Adjustments to the model-driven ECL results as additional provision are recorded by the Company to address risks not captured by models for specific exposures. Significant judgement is involved in estimating additional provision. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Disclosure The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key estimates, judgements and inputs used in Impairment loss allowance on loans. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance on the financial statements, we have considered this as a key audit matter.	Test of details: Key aspects of our testing includes: a) Assessing the Company' rationale for determination of criteria for significant increase in credit risk. b) Testing of sample over key inputs, data and assumptions impacting ECL model to assess relevance of data, economic forecasts, weights, and model assumptions applied. c) Testing computation of model driven impairment loss allowance on loans through re-performance on a sample basis. d) Testing details of post model adjustments/additional provision recorded considering the size and complexity involved. e) Assessing adequacy of disclosures included in the financial statements in respect of expected credit losses. Involvement of specialists We involved financial risk modelling specialists for the following: a) Evaluating the Company's Ind AS 109 impairment methodologies and assumptions used. b) Evaluating the relevance of inputs used in the model for computation of impairment loss allowance on loans. c) For models which were updated during the year, evaluating the changes by assessing the updated model methodology.

AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

Information Technology systems and controls

The key audit matter	How the matter was addressed in our audit
Information Technology (IT) systems and controls The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems. There exists a risk in the IT control environment which could result in the financial accounting and reporting records being misstated. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation and the complexity of the IT architecture. Further, it impacts on overall financial reporting process and regulatory expectations on automation.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient audit evidences for scoped in application by involving our IT specialist: 1. Evaluating and testing the design, implementation and operating effectiveness of the significant accounts related to IT applications controls relevant to the accuracy of system computation, and the consistency of data transmission. 2. Evaluating and testing the design, implementation and operating effectiveness of key General IT Controls. This includes controls on Access management, Change management and IT Operations. 3. User access management controls which includes access authentication through password configuration management, granting or modification of user access, creating new users, deactivating user access for exiting users, user access and privileged access examination basis their role and function. 4. Program changes which include changes moved into production environment as per defined procedures and relevant segregation of duties are ensured. 5. IT Operations which includes Job monitoring, scheduling, backup and recovery. 6. We also evaluated the design and the operating effectiveness of relevant key IT dependencies within the business process which included testing automated controls, interfaces and system generated reports, as applicable. 7. Understanding Cybersecurity Risk Management Framework followed by the entity for information assets, including information, applications systems, databases, networks and data storage systems. 8. We communicated with those charged with governance and management, tested combination of compensating controls or remediated controls and / or performed alternate audit procedures, where necessary. Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.



AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/ Board of Trustees' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and Board of Trustees of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of the Company and Trust.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 financial statements.

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

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 Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the



AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

- statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 62 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 62(K) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 62(K) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.

AROHAN FINANCIAL SERVICES LIMITED

Independent Auditor's Report of even date on the financial statements of Arohan Financial Services Limited for the year ended March 31, 2026 (cont'd)

- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the audit trail (edit log) facility is not available in the system for more than 99 changes, for every master data for the accounting software used for maintaining the general ledger. The number of changes during the year are less than 99. Further, where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- We draw attention to Note 48D to the financial statements for the year ended March 31, 2026 according to which the managerial remuneration paid / payable to the Other directors of the Company (amounting to INR 383.00 lakhs) for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by INR 212.43 lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual general Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Nitesh Shetty

Partner

Membership No.: 123493

ICAI UDIN:26123493ILFLFN3942

Place: Kolkata

Date: 21 May 2026



AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of use assets except for sufficient description for identification of the individual furnitures and office equipments in the Property, Plant and Equipment ('PPE') register. As represented to us by the management, the Company is in the process of updating its Property, Plant and Equipment register to reflect these details.
- (B) The Company has maintained proper records showing full particulars of intangible assets except for sufficient description for identification of individual Intangible Assets in the PPE register. As represented to us by the management, the Company is in the process of updating its records to reflect these details.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and Right of use assets by which all property, plant and equipment and Right of use assets are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment and Right of use assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering lending services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted advances in the nature of loans or provided any guarantee or security to companies, firms, limited liability partnership or other parties during the year. The Company has made investments, granted loans, secured or unsecured to companies and other parties in respect of which the requisite information is as below:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to

AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are not prejudicial to the interest of the Company. Further the Company, has not provided any guarantee or security or advances in the nature of loans to companies, firms, limited liability partnership or

other parties during the year.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Counts of loans	Amount (Rs. in lakhs)	Due Date	Extent of delay #	Remarks, if any
10,438	3,384	Various due dates	1 to 30 days	-
8772	1,759	Various due dates	31 to 60 days	-
8,722	1,819	Various due dates	61 to 90 days	-
64,725	7,726	Various due dates	91 days and above	-

Extent of delay is based on days past due status of loans as on 31 March 2026.

Having regard to the nature of Company's business and the volume of information involved, it is not practicable to furnish the item-wise listing of loan assets where delinquencies in the repayment of principal and interest have been identified.

Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of Rs. 3,724.28 lakhs (principal amount) and Rs 778.44 lakhs (interest amount) overdue for more than ninety days as at 31 March 2026. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand
- or without specifying any terms or period of repayment. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither given any loans, or provided any guarantee or security nor made any investments as specified under section 185 and 186 of the Companies Act, 2013 (the 'Act'). Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.



AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

- (vii)
- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Professional tax or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund, Income-Tax and Professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Professional tax or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Professional tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	0.01	AY 2014-15	Income Tax Appellate Tribunal (ITAT)	-
Income Tax Act, 1961	Income Tax	55.16	AY 2017-18	Income Tax Appellate Tribunal (ITAT)	-
Income Tax Act, 1961	Income Tax	5.90	AY 2019-20	Commissioner of Income Tax (Appeals)	-
Income Tax Act, 1961	Income Tax	64.27	AY 2020-21	Income Tax Appellate Tribunal (ITAT)	-
Income Tax Act, 1961	Income Tax	784.07	AY 2024-25	Commissioner of Income Tax (Appeals)	-
The Goods and Service Tax Act, 2017	Goods and Service Tax	266.49	FY 2019-20	Appellate Authority	-

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than Rs. 40,974.25 lakhs which remain unutilised as at 31 March 2026 because the funds were received towards the end of the year. The Company has temporarily maintained such unutilised balance in cash and cash equivalents and mutual funds investments as at 31 March 2026.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (x)
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)
- (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except as disclosed in note 49(x) of the financial statements there were 2,502 instances of cash embezzlement fraud amounting to Rs. 345.20 lakhs, 128 instances relating to fictitious documents submitted for availing the loan amounting to Rs. 67.11 lakhs and 21 instances of snatching of cash amounting to Rs. 8.70 lakhs in the year under audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or



AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi)

(a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to

us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual Report is expected to be made available to us after the date of this auditor's report.

(xx)

(a) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act, except in respect of the following:

Financial Year*	Amount unspent on corporate social responsibility activities "other than ongoing projects" (₹ in lakhs)	Amount transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year (₹ in lakhs)	Amount transferred after the due date (specify the date of deposit) (₹ in lakhs)
(a)	(b)	(c)	(d)
FY 2025-26	1,06,740	1,06,740	-

(*For current year for which the amount remains unspent)

AROHAN FINANCIAL SERVICES LIMITED

Annexure A to the Independent Auditor's Report on the Financial Statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Nitesh Shetty

Partner

Place: Kolkata

Membership No.: 123493

Date: 21 May 2026

ICAI UDIN:26123493ILFLFN3942



AROHAN FINANCIAL SERVICES LIMITED

Annexure B to the Independent Auditor's Report on the financial statements of Arohan Financial Services Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Arohan Financial Services Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide

AROHAN FINANCIAL SERVICES LIMITED

Annexure B to the Independent Auditor's Report on the financial statements of Arohan Financial Services Limited for the year ended 31 March 2026 (cont'd)

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (cont'd)

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) (cont'd)

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

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Nitesh Shetty

Partner

Membership No.: 123493

ICAI UDIN:26123493ILFLFN3942

Place: Kolkata

Date: 21 May 2026

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the



AROHAN FINANCIAL SERVICES LIMITED

Balance Sheet as at March 31, 2026

(All amounts in ₹ lakhs unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	33,146.76	43,647.55
Bank balance other than cash and cash equivalents	5	19,132.44	23,693.24
Trade receivables	6	1,353.26	837.89
Loans	7	7,00,698.72	5,70,510.84
Investments	8	53,570.63	36,334.60
Other financial assets	9	2,241.03	1,555.73
		8,10,142.84	6,76,579.85
Non-financial assets			
Current tax assets (net)	10	1,307.09	1,030.72
Deferred tax assets (net)	11	7,102.44	8,013.85
Property, plant and equipment	12	1,079.33	891.70
Intangible assets under development	13	-	29.50
Other intangible assets	13	298.49	389.40
Right of use asset	14	626.10	600.66
Other non-financial assets	15	1,437.40	1,043.16
		11,850.85	11,998.99
Total assets		8,21,993.69	6,88,578.84
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	2.30	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	3,464.44	2,751.52
(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		-	-
Debt securities	17	16,012.57	21,303.69
Borrowings (other than debt securities)	18	5,48,993.14	4,09,070.54
Subordinated liabilities	19	24,956.61	39,966.14
Other financial liabilities	22	7,452.98	7,338.14
		6,00,882.04	4,80,430.03
Non-financial liabilities			
Provisions	23	4,267.15	3,896.65
Other non-financial liabilities	24	1,066.70	1,739.33
		5,333.85	5,635.98
Equity			
Equity share capital	25	15,941.23	15,891.23
Other equity	26	1,99,836.57	1,86,621.60
		2,15,777.80	2,02,512.83
Total liabilities and equity		8,21,993.69	6,88,578.84

The accompanying annexures and notes are an integral part of the Financial Statement

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nitesh Shetty
Partner
Membership No 123493

Place: Kolkata
Date: May 21, 2026

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

Manojkumar N Nambiar
Managing Director
(DIN: 03172919)
Place : Kolkata

Anirudh Singh G Thakur
Company Secretary and
Chief Compliance Officer
Place: Kolkata
Date: May 21, 2026

Anurag Agrawal
Director
(DIN: 02385780)
Place : Kolkata

Milind R Nare
Deputy Chief Executive Officer
and Chief Financial Officer
Place: Kolkata

AROHAN FINANCIAL SERVICES LIMITED

Statement of Profit and Loss for the year ended March 31, 2026

(All amounts in ₹ lakhs unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
Interest income	28	1,41,550.30	1,58,117.79
Dividend income	29	4.36	12.50
Fees and commission income	30	9,542.86	9,653.75
Net gain on fair value changes	31	1,030.45	-
Net gain on derecognition of financial instruments under amortised cost category	32	2,322.37	1,167.91
Other operating income	33	37.49	222.75
Total revenue from operations		1,54,487.83	1,69,174.70
Other income	34	667.48	351.37
Total Income		1,55,155.31	1,69,526.07
Expenses			
Finance costs	35	52,459.40	63,195.84
Impairment on financial instruments	36	30,337.36	39,751.41
Employee benefits expenses	37	39,672.01	38,920.00
Depreciation and amortization	38	921.18	685.39
Other expenses	39	15,424.27	13,164.93
Total Expenses		1,38,814.22	1,55,717.57
Profit before tax		16,341.09	13,808.50
Income tax expenses:	41		
- Current tax		3,195.30	5,031.72
- Deferred tax expense/ (credit)		912.52	(2,191.80)
Total tax expenses		4,107.82	2,839.92
Net profit after tax for the year		12,233.27	10,968.58
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post employment benefit obligations		(4.39)	(924.32)
(ii) Income tax relating to above items		1.11	232.63
Other comprehensive income		(3.28)	(691.69)
Total comprehensive income for the year		12,229.99	10,276.89
Earnings per equity share	42		
Face value per share (₹)		10.00	10.00
Basic (₹)		8.02	7.20
Diluted (₹)		8.01	7.18

The accompanying annexures and notes are an integral part of the Financial Statement

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nitesh Shetty
Partner
Membership No 123493

Place: Kolkata
Date: May 21, 2026

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

Manojkumar N Nambiar
Managing Director
(DIN: 03172919)
Place : Kolkata

Anirudh Singh G Thakur
Company Secretary and
Chief Compliance Officer
Place: Kolkata
Date: May 21, 2026

Anurag Agrawal
Director
(DIN: 02385780)
Place : Kolkata

Milind R Nare
Deputy Chief Executive Officer
and Chief Financial Officer
Place: Kolkata



AROHAN FINANCIAL SERVICES LIMITED

Statement of change in equity for the year ended March 31, 2026

(All amounts in ₹ lakhs unless otherwise stated)

(a) Equity share capital (Refer note 25)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	15,891.23	15,741.23
Changes in equity share capital during the year	50.00	150.00
Balance at the end of the year	15,941.23	15,891.23

(b) Other equity (Refer note 26)

Particulars	Reserves and Surplus						Total other equity
	Securities premium	Statutory reserves	Retained earnings	General reserve	Share option outstanding account	Treasury shares	
Balance as at March 31, 2024	1,20,226.78	15,715.55	45,670.93	80.27	1,940.55	(7,899.62)	1,75,734.46
Total comprehensive income for the year:							
Profit for the year (net of taxes)	-	-	10,968.58	-	-	-	10,968.58
Other comprehensive income (net of taxes)	-	-	(691.69)	-	-	-	(691.69)
Transactions with owners of the Company:							
Share based payments to employees	-	-	-	-	760.25	-	760.25
Issue of equity shares to ESOP trust	2,075.25	-	-	-	-	(2,225.25)	(150.00)
Transfer to statutory reserve (*)	-	2,193.72	(2,193.72)	-	-	-	-
Balance as at March 31, 2025	1,22,302.03	17,909.27	53,754.10	80.27	2,700.80	(10,124.87)	1,86,621.60
Total comprehensive income for the year:							
Profit for the year (net of taxes)	-	-	12,233.27	-	-	-	12,233.27
Other comprehensive income (net of taxes)	-	-	(3.28)	-	-	-	(3.28)
Transactions with owners of the Company:							
Share based payments to employees	-	-	-	-	1,034.98	-	1,034.98
Issue of equity shares to ESOP trust	691.75	-	-	-	-	(741.75)	(50.00)
Transfer to statutory reserve (*)	-	2,446.65	(2,446.65)	-	-	-	-
Balance as at March 31, 2026	1,22,993.78	20,355.92	63,537.44	80.27	3,735.78	(10,866.62)	1,99,836.57

(*) The Company has transferred 20% of profits after tax to Statutory reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

This is the statement of changes in equity referred to in our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nitesh Shetty
Partner
Membership No 123493

Place: Kolkata
Date: May 21, 2026

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

Manojkumar N Nambiar
Managing Director
(DIN: 03172919)
Place : Kolkata

Anirudh Singh G Thakur
Company Secretary and
Chief Compliance Officer
Place: Kolkata
Date: May 21, 2026

Anurag Agrawal
Director
(DIN: 02385780)
Place : Kolkata

Milind R Nare
Deputy Chief Executive Officer
and Chief Financial Officer
Place: Kolkata

AROHAN FINANCIAL SERVICES LIMITED

Statement of Cash Flow for the year ended March 31, 2026

(All amounts in ₹ lakhs unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
(A) Cash flows from operating activities		
Profit before tax	16,341.09	13,808.50
Adjusted for:		
Depreciation and amortization	717.45	476.72
Depreciation on right of use assets	203.73	208.67
Interest on lease liability (net)	81.93	77.39
Impairment loss allowance on loans	30,842.36	37,402.41
Impairment loss allowance on security receipts	(500.00)	2,344.00
Impairment loss allowance on investment	(5.00)	-
Net gain on fair value changes	(53.33)	-
Net gain on derecognition of financial instruments	(2,322.37)	(1,167.91)
Share based payments to employees	1,034.98	760.25
Effective interest rate adjustment for financial instruments	(6,008.73)	(4,937.02)
Interest income	(1,28,014.45)	(1,41,863.81)
Interest on investments and fixed deposits	(5,464.04)	(8,175.92)
Finance cost	49,618.24	59,557.70
Unwinding impact on security deposit	0.19	0.28
Operating profit before working capital changes	(43,527.95)	(41,508.74)
Adjustment in:		
(Increase)/ decrease in loans	(1,63,119.61)	53,316.11
(Increase)/ decrease in trade receivables	(515.37)	614.49
Decrease in other financial assets	1,642.44	3,007.03
(Increase) in other non-financial assets	(399.80)	(444.07)
Increase/ (decrease) in trade payables	712.92	(58.29)
Increase/ (decrease) in other financial liabilities	75.36	(3,775.30)
Increase in provisions	366.11	284.73
(Decrease) in other non-financial liabilities	(672.63)	(5.94)
Cash (used in)/ generated from operating activities	(2,05,438.53)	11,430.02
Interest received	1,37,770.28	1,49,437.64
Interest paid	(49,492.96)	(61,435.69)
Income taxes paid (net of refunds)	(3,471.67)	(4,863.96)
Net cash (used in)/ generated from operating activities (A)	(1,20,632.88)	94,568.01
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(780.84)	(480.78)
Proceeds from sale of property, plant and equipment	1.10	1.04
Interest received on investments and fixed deposits	6,703.59	6,487.65
Proceeds from fixed deposits	9,587.05	14,338.91
Investment in fixed deposits	(5,523.76)	(4,904.46)
Proceeds from redemption of mutual funds	1,70,058.46	-
Investment in mutual funds	(1,89,299.16)	-
Proceeds from redemption of Government securities	17,316.60	19,130.71
Purchase of Government securities	(15,500.00)	(47,380.08)
Proceeds from dividend from investments	4.36	12.50
Purchase of intangible assets	(4.80)	(14.20)
Purchase of intangible assets under development	(0.13)	(71.46)
Net cash (used in) investing activities (B)	(7,437.53)	(12,880.17)
(C) Cash flows from financing activities		
Repayment of debt securities	(5,200.00)	(19,250.00)
Proceeds from borrowings (other than debt securities)	5,24,897.50	2,73,964.74
Repayment of borrowings (other than debt securities)	(3,86,858.58)	(3,86,373.01)
Repayment of subordinated liabilities	(15,000.00)	-
Payment of interest on lease liabilities	(80.92)	(66.70)
Payment of principal on lease liabilities	(188.38)	(211.37)
Net cash generated from/ (used in) financing activities (C)	1,17,569.62	(1,31,936.34)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(10,500.79)	(50,248.50)
Cash and cash equivalents as at the beginning of the year	43,647.55	93,896.05
Cash and cash equivalents as at the end of the year	33,146.76	43,647.55
Components of cash and cash equivalents: [Refer Note 4]		
Cash on hand	12.43	11.25
Bank balances and deposits with banks (*)	33,134.33	43,636.30
Cash and cash equivalents considered for cash flow	33,146.76	43,647.55

(*) There are certain restriction placed with banks. The details of restrictions are available in note 4.

Note: The Cash Flows from Operating activities are computed under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows." The accompanying annexures and notes are an integral part of the Financial Statement

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Nitesh Shetty
Partner
Membership No 123493

Place: Kolkata
Date: May 21, 2026

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

Manojkumar N Nambiar
Managing Director
(DIN: 03172919)
Place : Kolkata

Anirudh Singh G Thakur
Company Secretary and
Chief Compliance Officer
Place: Kolkata
Date: May 21, 2026

Anurag Agrawal
Director
(DIN: 02385780)
Place : Kolkata

Milind R Nare
Deputy Chief Executive Officer
and Chief Financial Officer
Place: Kolkata



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026

Summary of material accounting policies and other explanatory information to Financial Statement

1 Corporate informatories

Arohan Financial Services Limited ('the Company') is incorporated under the provisions of the Companies Act 1956. The Company has been registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India ('the RBI') from July 08, 2009 and pursuant to the notification issued by the RBI for classification of NBFCs as Non-Banking Finance Company – Micro Finance Institutions ('NBFC-MFI'), the Company's application for registration as an NBFC-MFI was approved by the RBI on January 10, 2014. The Company has converted itself into a public limited company and changed its name to Arohan Financial Services Limited and has received a fresh certificate of incorporation dated May 25, 2018.

The Company is primarily engaged in providing the livelihood promotion services such as micro-credit to socio-economically disadvantaged customers un-reached by the formal banking systems. In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services.

2 Basis of preparation

The Audited Financial Statement of the Company comprise the Statement of Assets and Liabilities as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended March 31, 2026 and the summary of material accounting policies and other explanatory notes (collectively, the 'Financial Statement').

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

The Financial Statement have been prepared on a going concern basis. The accounting policies are applied consistently to all the year presented in the Financial Statement. These Financial Statement have been prepared by the management to comply in all material respects as required in accordance with Indian Accounting Standards ("Ind AS"), as prescribed under

Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time), other applicable guidelines issued by the Reserve Bank of India ("RBI") and the financial statements presented as per format prescribed under division III to Schedule III of Companies Act, 2013. which have been approved by the Board of Directors at their meeting held on May 21, 2026.

(ii) Historical cost convention

These financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

The financial Statement were approved by the Company's Board of Directors and authorised for issue on May 21, 2026.

3 Material accounting policies

(i) Estimates, judgements and assumptions

The preparation of audited financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

a Estimates and assumptions:

In preparing these financial statements, management has made certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the financial year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about the assumptions, the Company makes about the future and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment of the carrying amount of the assets and liabilities within the next financial year.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Provisions

Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant estimated about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined

using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of loan portfolio

Management estimates the amount and timing of future cash flows when determining an impairment allowance for loans and advances. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. The Company makes estimation of management overlay considering internal and external factors.

b Judgements:

Key areas of judgement at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included classification of financial assets which includes assessment of the business model within which the assets are held for sale, held for sale and maturity and held for maturity.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Business model assessment

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset were held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. The Company makes judgments on management overlay considering internal and external factors.

Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation including management overlay.

Recent accounting pronouncements

Classification of liabilities as current or non-current and non-current liabilities with Covenants - Amendments to Ind AS 1

The Ministry of Corporate Affairs notified amendments to paragraphs 69 to 76 of Ind AS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- > Extensive revisions to classification of liabilities as current or non-current, especially in context of loan covenants.
- > Right to defer settlement must exist at reporting date and have substance – management's intent do not affect
- > Convertible debt may become current
- > Phased approach:
 - a. For material covenants - periods beginning on/ after April 01, 2025: Relief continues i.e. if lender waives demand after reporting date but before financial statements are approved, liability may remain non-current.
 - b. For covenants - periods beginning on/after April 01, 2026: Relief removed i.e. any breach making liability payable on demand at reporting date must be classified as current, even if lender waives demand after reporting date.

(ii) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the management's estimates of useful lives of such assets.

Asset class	Useful life
Office equipment	5 years
Computer equipment	3 years
Computer Software	5 Years
Computer Servers	6 Years
Motor Vehicle	8 years
Furniture and fixtures	10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use till useful life or the date the asset is sold/ disposed, whichever is earlier. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses incurred to acquire property, plant and equipment. Assets which

are not ready to its intended use are also shown under capital work-in-progress.

(iii) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of five years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the company demonstrate following recognition requirements:

- a. The development costs can be measured reliably
- b. The project is technically and commercially feasible
- c. The company intends to and has sufficient resources to complete the project
- d. The company has the ability to use or sell such intangible asset
- e. The asset will generate probable future economic benefits.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

(iv) Revenue recognition

Revenue from contracts with customers - fees and commission

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered as part of the contract. Revenue is recognised for a contract with a customer only when all of the following criteria are met:

- Identify the contract,
- Identify performance obligations,
- Determine the transaction price,
- Allocate the transaction price and
- Recognize revenue when a performance obligation is satisfied.

'transaction price' as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional overdue interest/ penal charges, if any, are recognised only when it is reasonably certain that the ultimate collection will be made.

The EIR is that rate that exactly discounts estimated future receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets. In calculating the interest income the effective interest rate (EIR) is applied to the gross carrying amount of the asset when such assets are not credit-impaired.

However if the financial assets that have become credit-impaired subsequently to initial recognition and is regarded as 'stage 3', interest income is calculated by applying the EIR to the net amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Income from assignment transactions

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Interest on fixed deposits and investments

Interest income on deposits with banks and investments is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

(v) Borrowing costs

Borrowing cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

(vi) Income tax

Income tax comprises current and deferred tax:

Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax is tax payable on income for the year and any adjustment to tax payable for earlier years.

Deferred Tax: Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based

on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

(vii) Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme.

The company has a defined contribution plans like provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of profit and loss.

Defined benefit plans

The Company has an obligation towards gratuity and pension fund, defined benefit plan covering eligible employees. Under the defined benefit plans, the amount that an employee will receive is defined by reference to the employee's length of service and last drawn salary which is calculated periodically by a qualified actuary



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

using the projected unit credit method. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The liability in respect of accumulating compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method. Actuarial gains and losses arising from changes in actuarial assumptions are charged to Statement of profit and loss in the year in which such gain or losses are determined.

(viii) Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total

expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

(ix) Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to the grant and the grant will be received. The grants are recognised as income in the statement of profit and loss over the periods necessary to match them with the related costs that they are intended to compensate. The grants received, against any reimbursement of expenses are set off against such expenses in the year they occur with meeting the specific conditions or restrictions.

(x) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

(xi) Impairment of financial assets

The expected credit loss (ECL) allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1** (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- **Stage 2** (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- **Stage 3** credit-impaired (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD)

It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Management overlay is included in determining the 12-month and lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

of recovery. However financial assets that are written off could still be enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in the statement of profit and loss.

(xii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xiii) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(xiv) Leases

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified

asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the tenure of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

(xv) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. A trade receivables without significant financing component is initially measured at transaction price. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets carried at amortised cost

All financial assets are required to be initially measured at fair value plus or minus the transaction costs. A financial asset is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cashflows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. Non-performing financial assets are carried at amortised cost in the financial statement.

Financial assets carried at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets

- (b) The contractual terms of the financial asset meet the SPPI (sole payment of principal and interest) test. FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Investments

Investment in mutual funds and security receipts are mandatorily measured at fair value through profit and loss (FVTPL).

Investment in equity are measured at fair value to other comprehensive income (FVOCI).

Investment in dated Government securities and treasury bills and measured at fair value through amortised cost and they intend to hold till maturity.

De-recognition of financial assets

The Company derecognizes a financial asset when:

- a. the contractual rights to the cash flows from the financial asset expire; or
- b. it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - i. substantially all of the risks and rewards of ownership of the financial asset are transferred; or,
 - ii. the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Non-derivative financial liabilities:

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

3 Material accounting policies (cont'd)

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there are a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(xvi) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xvii) Segment information

The Company identifies segment basis of the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment

expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

(xviii) Foreign currency

Functional and presentation currency

Items included in the audited financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(xix) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the year, the impact of such events is adjusted within the audited financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(xx) Dividend payment

Interim dividend declared to equity/ preference shareholders, if any, is recognized as liability in the year in which the said dividend is declared by the Board of Directors. Final dividend declared, if any, is recognized in the year in which the said dividend is approved by the Shareholders. Dividend payable is recognized directly in equity.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 4: Cash and cash equivalents (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	12.43	11.25
Balances with banks (#)		
-Balance with banks in current accounts	3,660.20	10,945.49
-Deposits for original maturity of less than 3 months	29,474.13	32,690.81
Total	33,146.76	43,647.55

(#) Balance in current accounts includes ₹104.49 lakhs (March 31, 2025: ₹153.64 lakhs) earmarked for unpaid gratuity, ₹1.07 lakhs (March 31, 2025: ₹6.31 lakhs) earmarked for unpaid corporate social responsibility and ₹17.48 lakhs (March 31, 2025: ₹8.01 lakhs) earmarked for unpaid debenture interest.

Note 5: Bank balance other than cash and cash equivalents (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank balances other than cash and cash equivalents:		
In deposits with original maturity of more than 3 months	2,050.38	4,231.24
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees (<i>Refer note below</i>)		
- with maturity more than 3 months but less than 12 months	13,123.31	11,910.59
- with maturity more than 12 months	3,958.75	7,551.41
Total	19,132.44	23,693.24

The deposits are under lien as security against term loans from banks and financial Institutions, overdraft facilities, bank guarantee, assets securitised, and secured non convertible debenture etc as below:

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans from banks and financial Institutions	10,788.77	17,869.73
Overdraft facilities	14.23	13.48
Bank guarantee	29.72	27.47
Collateral against securitisations	6,249.34	1,332.99
Secured non convertible debenture	-	218.33
Total	17,082.06	19,462.00



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 6: Trade receivables (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
<i>(unsecured)</i>		
(i) Undisputed trade receivables – considered good (#)	127.60	46.57
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-
(iii) Undisputed trade receivables – credit impaired	-	-
(iv) Disputed trade receivables – considered good	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-
(vi) Disputed trade receivables – credit impaired	-	-
(vii) Unbilled receivables	1,225.66	791.32
Total	1,353.26	837.89

(#) Outstanding are from the due date of payment. Where no due date of payment are specified in that case, the ageing is done from the transaction date.

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member (refer note 63B).

Ageing of trade receivables

As at March 31, 2026

Particulars	Unbilled	Not yet due	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good (#)	-	123.01	4.02	0.57	-	-	127.60
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled receivables	1,225.66	-	-	-	-	-	1,225.66
Total	1,225.66	123.01	4.02	0.57	-	-	1,353.26

(#) Outstanding are from the due date of payment. Where no due date of payment are specified in that case, the ageing is done from the transaction date.

As at March 31, 2025

Particulars	Unbilled	Not yet due	Less than 6 months	6 months -1 year	1-2 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good (#)	-	42.83	3.74	-	-	-	46.57
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled receivables	791.32	-	-	-	-	-	791.32
Total	791.32	42.83	3.74	-	-	-	837.89

(#) Outstanding are from the due date of payment. Where no due date of payment are specified in that case, the ageing is done from the transaction date.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 7: Loans (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans		
Secured loans (*)	62,704.30	35,288.19
Unsecured loans	6,55,762.18	5,58,141.76
Gross loans	7,18,466.48	5,93,429.95
Less: Impairment loss allowance (#)	(17,767.76)	(22,919.11)
Net loans	7,00,698.72	5,70,510.84
(i) Secured by tangible assets (*)	62,704.30	35,288.19
(ii) Secured by intangible assets	-	-
(iii) Covered by Government guarantees (**)	4,44,681.19	-
(iv) Unsecured	2,11,080.99	5,58,141.76
Gross loans	7,18,466.48	5,93,429.95
Less: Impairment loss allowance (#)	(17,767.76)	(22,919.11)
Net loans	7,00,698.72	5,70,510.84
Loans in India		
(i) Public sector	-	-
(ii) Others	7,18,466.48	5,93,429.95
Gross loans	7,18,466.48	5,93,429.95
Less: Impairment loss allowance (#)	(17,767.76)	(22,919.11)
Net loans	7,00,698.72	5,70,510.84

(*) Note:

- Represents maximum exposure to credit risk at the end of the year without taking account of any collateral held or other credit enhancements.
- Secured against standard book debts except for a loan against which security is credit-impaired amounting to nil as at March 31, 2026 (March 31, 2025: ₹21.47 lakhs which are fully provided) which is fully written off.
- No significant changes in the quality of above collateral.
- There is no unrecognised loss allowance because of the collateral.

(**) Expense incurred of ₹1,823.45 lakhs (March 31, 2025: nil) towards credit guarantee for micro units (CGFMU) scheme during the year is presented under “insurance” within other expenses.

(#) Impairment loss allowance includes management overlay of ₹764.43 lakhs as on March 31, 2026 (March 31, 2025: ₹4,634.78 lakhs).

Business model reflects that “The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset were held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.”

The Company has not advanced any loans to the promoters, directors, Key Managerial personnel (KMPs) and the related parties either severally or jointly with any other person (refer note 63B).



Note 8: Investments

Particulars	As at March 31, 2026				As at March 31, 2025			
	At amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Total	At amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Total
1. Mutual funds	-	20,715.64	-	20,715.64	-	-	-	-
2. Government securities								
a. Investment in G-sec	32,408.34	-	-	32,408.34	19,551.11	-	-	19,551.11
b. Investment in T-bills	-	-	-	-	14,902.29	-	-	14,902.29
3. Equity instruments								
Unquoted equity instruments								
Nil (March 31, 2025: 50,000) equity shares in Alpha Micro Finance Consultant Private Limited of ₹ 10 each, fully paid-up.	-	-	-	-	-	5.00	-	5.00
4. Others								
Security receipts (*)								
8,00,000 security receipts under Phoenix Trust-FY 23-16 at face value ₹312/- each (March 31, 2025: 8,00,000 security receipts at face value of ₹ 456/- each)	-	944.00	-	944.00	-	2,704.00	-	2,704.00
10,43,400 security receipts under Phoenix Trust-FY 23-36 at face value ₹375/- each (March 31, 2025: 10,43,400 security receipts at face value of ₹ 450/- each)	-	1,909.42	-	1,909.42	-	2,577.20	-	2,577.20
Gross investment	32,408.34	23,569.06	-	55,977.40	34,453.40	5,286.20	-	39,739.60
Less: Impairment loss allowance (#)	-	(2,406.77)	-	(2,406.77)	-	(3,405.00)	-	(3,405.00)
Net investment	32,408.34	21,162.29	-	53,570.63	34,453.40	1,881.20	-	36,334.60
Investments in India	32,408.34	23,569.06	-	55,977.40	34,453.40	5,286.20	-	39,739.60
Investments outside India	-	-	-	-	-	-	-	-
Gross investment	32,408.34	23,569.06	-	55,977.40	34,453.40	5,286.20	-	39,739.60
Less: Impairment loss allowance (#)	-	(2,406.77)	-	(2,406.77)	-	(3,405.00)	-	(3,405.00)
Net investment	32,408.34	21,162.29	-	53,570.63	34,453.40	1,881.20	-	36,334.60

(*) The Company has sold loans to an Asset Reconstruction Company (ARC) on June 28, 2023 and December 29, 2022 SRs were received as considerations for the transfer of loans. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement/ classification approach and ECL has been recognised in a similar manner as applicable to the underlying loans.

(#) Impairment allowance includes management overlay of ₹2,406.77 lakhs (March 31, 2025: ₹3,400.00 Lakhs) on security receipts as on March 31, 2026, further there is a reversal of ₹5.00 lakhs (March 31, 2025: ₹5.00 Lakhs of impairment allowance made) of impairment allowance made on unquoted equity instruments in Alpha Micro Finance Consultant Private Limited on the occasion of voluntary liquidation.

Note: The security receipt Phoenix Trust-FY23-36 rating downgraded to "IND RR4" from "IND RR3" on a recovery rating scale issued by India Ratings & Research with report dated February 25, 2026 and for Phoenix Trust-FY23-16 which is also downgraded to "IND RR4" from "IND RR3" with report dated February 25, 2026 (March 31, 2025: The security receipts are rated "IND RR3" on a recovery rating scale issued by India Ratings & Research with report dated February 24, 2025).

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 9: Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
<i>(Measured at amortised cost- unsecured considered good)</i>		
Security deposits	343.30	371.48
Receivable on assigned loans (*)	1,388.52	501.29
Insurance receivables	-	65.63
Others (**)	509.21	682.96
	2,241.03	1,621.36
Less: Impairment loss allowance on insurance receivables	-	(65.63)
Total	2,241.03	1,555.73

(*) includes ₹0.38 lakhs (March 31, 2025: ₹0.10 lakhs) towards receivable on assigned loans from related party (refer note 48).

(**) includes ₹484.84 lakhs (March 31, 2025: ₹653.79 lakhs) towards collection receivables from digital channel partners.

Note 10: Current tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax and TDS (net of provisions)	1,307.09	1,030.72
Total	1,307.09	1,030.72

Note 11: Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets for deductible temporary differences on:		
Impairment loss allowance on loan assets	3,802.17	4,907.38
Impairment loss allowance on investments	605.74	856.97
Provision for employee benefits	1,073.94	980.69
Financial assets measured at amortised cost	1,422.87	903.92
Provision for expense allowed for tax purpose on payment basis	357.71	357.71
Difference in written down value as per books and as per income tax act	72.15	25.35
Right of use asset	11.99	18.82
	7,346.57	8,050.84
Deferred tax liabilities for taxable temporary differences on:		
Fair valuation of financial instruments through profit and loss	13.42	-
Income on realisation basis	230.71	36.99
	244.13	36.99
Deferred tax assets (net)	7,102.44	8,013.85



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 11: Deferred tax assets (net) (cont'd)

Movement in deferred tax assets for the year ended March 31, 2026

Particulars	As at April 01, 2025	Statement of profit and loss	Other comprehensive income	As at March 31, 2026
Deferred tax assets for deductible temporary differences on:				
Impairment loss allowance on loan assets	4,907.38	(1,105.21)	-	3,802.17
Impairment loss allowance on investments	856.97	(251.23)	-	605.74
Provision for employee benefits	980.69	92.14	1.11	1,073.94
Financial assets measured at amortised cost	903.92	518.95	-	1,422.87
Provision for expense allowed for tax purpose on payment basis	357.71	-	-	357.71
Difference in written down value as per books and as per income tax act	25.35	46.80	-	72.15
Right of use asset	18.82	(6.83)	-	11.99
	8,050.84	(705.38)	1.11	7,346.57
Deferred tax liabilities for taxable temporary differences on:				
Fair valuation of financial instruments through profit and loss	-	13.42	-	13.42
Income on realisation basis	36.99	193.72	-	230.71
	36.99	207.14	-	244.13
Deferred tax assets (net)	8,013.85	(912.52)	1.11	7,102.44

Movement in deferred tax assets for the year ended March 31, 2025

Particulars	As at April 01, 2024	Statement of profit and loss	Other comprehensive income	As at March 31, 2025
Deferred tax assets for deductible temporary differences on:				
Impairment loss allowance on loan assets	3,552.03	1,355.35	-	4,907.38
Impairment loss allowance on investments	503.36	353.61	-	856.97
Provision for employee benefits	676.40	71.66	232.63	980.69
Financial assets measured at amortised cost	818.90	85.02	-	903.92
Provision for expense allowed for tax purpose on payment basis	357.65	0.06	-	357.71
Difference in written down value as per books and as per income tax act	35.97	(10.62)	-	25.35
Right of use asset	16.81	2.01	-	18.82
	5,961.12	1,857.09	232.63	8,050.84
Deferred tax liabilities for taxable temporary differences on:				
Income on realisation basis	371.70	(334.71)	-	36.99
	371.70	(334.71)	-	36.99
Deferred tax assets (net)	5,589.42	2,191.80	232.63	8,013.85

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 12: Property, plant and equipment

Particular	Motor vehicle	Furniture and fixtures	Computer and accessories	Office equipment	Total
Gross carrying value					
Balance as at March 31, 2024	21.45	475.43	1,120.70	427.70	2,045.28
Additions for the year	-	118.01	215.39	147.38	480.78
Disposals for the year	-	0.99	0.45	11.34	12.78
Balance as at March 31, 2025	21.45	592.45	1,335.64	563.74	2,513.28
Additions for the year	-	6.50	486.47	287.87	780.84
Disposals for the year	-	2.07	-	9.54	11.61
Balance as at March 31, 2026	21.45	596.88	1,822.11	842.07	3,282.51
Accumulated depreciation					
Up to March 31, 2024	2.66	216.18	806.36	267.60	1,292.80
Depreciation charge for the year	2.68	50.32	204.97	82.55	340.52
Adjustment on account of disposal	-	0.91	0.07	10.76	11.74
Up to March 31, 2025	5.34	265.59	1,011.26	339.39	1,621.58
Depreciation charge for the year	2.68	58.62	268.42	262.39	592.11
Adjustment on account of disposal	-	1.54	-	8.97	10.51
Up to March 31, 2026	8.02	322.67	1,279.68	592.81	2,203.18
Net carrying value					
Balance as at March 31, 2025	16.11	326.86	324.38	224.35	891.70
Balance as at March 31, 2026	13.43	274.21	542.43	249.26	1,079.33

- Notes:**
- The Company has not revalued its property, plant and equipment during the current financial year.
 - Refer note 62 on contractual commitments for the acquisition of property, plant and equipment.
 - The Company does not own any immovable property in the form of land and building (refer note 63A).

Note 13 : Other Intangible assets (including intangible assets under development)

Particular	Intangible assets	
	Intangible assets under development	Others*
Gross carrying value		
Balance as at March 31, 2024	55.13	1,400.17
Additions for the year	71.46	111.29
Disposals for the year	97.09	-
Balance as at March 31, 2025	29.50	1,511.46
Additions for the year	8.47	34.43
Disposals for the year	37.97	-
Balance as at March 31, 2026	-	1,545.89
Accumulated amortisation		
Up to March 31, 2024	-	985.86
Amortisation charge for the year	-	136.20
Adjustment on account of disposal	-	-
Up to March 31, 2025	-	1,122.06
Amortisation charge for the year	-	125.34
Adjustment on account of disposal	-	-
Up to March 31, 2026	-	1,247.40
Net carrying value		
Balance as at March 31, 2025	29.50	389.40
Balance as at March 31, 2026	-	298.49

* Others represents computer software

- Note:**
- The Company has not revalued its intangible assets during the current and previous financial year.
 - Refer note 62 on contractual commitments for the acquisition of intangible asset



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 13 : Other Intangible assets (including intangible assets under development) (cont'd)

Ageing schedule of intangible assets under development

As at March 31, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at March 31, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	21.18	8.32	-	-	29.50
Projects temporarily suspended	-	-	-	-	-
Total	21.18	8.32	-	-	29.50

(*) There are no continuing projects where completion date are overdue or cost of project exceeds as compared to original plan

Note 14: Right of use assets

Particulars	Right of use assets
Gross carrying value	
Balance as at March 31, 2024	1,519.56
Additions for the year	91.14
Disposals for the year	36.89
Balance as at March 31, 2025	1,573.81
Additions for the year	241.11
Disposals for the year	55.12
Balance as at March 31, 2026	1,759.80
Accumulated depreciation	
Up to March 31, 2024	782.92
Depreciation for the year	208.67
Adjustment on account of disposal	18.44
Up to March 31, 2025	973.15
Depreciation for the year	203.73
Adjustment on account of disposal	43.18
Up to March 31, 2026	1,133.70
Net carrying value	
Balance as at March 31, 2025	600.66
Balance as at March 31, 2026	626.10

Note:

The Company has not revalued its right-of-use assets during the current and previous financial year.

Refer note 61 for disclosures pertaining to Ind AS 116 - Leases

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 15: Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	419.66	378.60
Advances to employees	74.59	100.49
Balances with government authorities	70.62	39.96
Advance against expenses	143.46	116.76
Others (*)	729.07	407.35
Total	1,437.40	1,043.16

(*) As at March 31 2026, an amount of ₹628.33 lakhs (March 31, 2025: ₹387.31 lakhs) stands paid as legal and professional service for draft red hearing prospectus (DRHP) filing which has been presented under others.

Note 16: Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	2.30	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,464.44	2,751.52
Other payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	3,466.74	2,751.52

Note 16.1: Dues to the micro enterprise and small enterprise

Particulars	As at March 31, 2026	As at March 31, 2025
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	2.30	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	2.30	-



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 16.1: Dues to the micro enterprise and small enterprise (cont'd)

Trade Payables ageing schedule

As on March 31, 2026

Particulars	Not due	O/s for the following year				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 year	
Trade payables						
Micro enterprises and small enterprises	2.30	-	-	-	-	2.30
Others	3,446.37	18.07	-	-	-	3,464.44
Total	3,448.67	18.07	-	-	-	3,466.74

As on March 31, 2025

Particulars	Not due	O/s for the following year				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 year	
Trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	2,740.86	10.66	-	-	-	2,751.52
Total	2,740.86	10.66	-	-	-	2,751.52

Note 17: Debt securities

Particulars	As at March 31, 2026	As at March 31, 2025
<i>(Measured at amortised cost)</i>		
Secured unlisted non convertible debentures	16,012.57	21,303.69
Total	16,012.57	21,303.69
Debt securities in India	16,012.57	21,303.69
Debt securities outside India	-	-
Total	16,012.57	21,303.69

Refer note 21(a) for terms of repayment.

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 to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.

Other terms and conditions:

Particulars	Repayment Schedule	As at March 31, 2026	As at March 31, 2025
10.71% Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) (Face Value ₹0.75 lakh) - no. of units - 20,800 (March 31, 2025 - 20,800)	Repayment in four equal instalments on June 2025, December 2026, June 2027 and December 2027.	16,012.57	21,303.69
Total		16,012.57	21,303.69

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2026	As at March 31, 2025
<i>(Measured at amortised cost)</i>		
<i>(Secured)</i>		
(a) Term loans <i>(refer note (i) below)</i>		
- from banks	4,22,849.53	3,54,167.85
- from financial institution	79,038.60	53,967.91
(b) Loans repayable on demand		
- Cash credit from banks <i>[refer note (ii) below]</i>	-	0.11
(c) Liability against securitisation <i>(refer note (iii) below)</i>		
- from banks	35,925.53	934.67
- from others (*)	11,179.48	-
Total	5,48,993.14	4,09,070.54
Borrowings in India	5,48,993.14	4,09,070.54
Borrowings outside India	-	-
Total (a+b+c)	5,48,993.14	4,09,070.54

(*) represents liability against securitisation from asset management company (AMC).

Refer note 21(b) for terms of repayment.

Nature of Security:

- All term loans from banks and financial institutions are secured by way of first and exclusive charge, both present & future, over the eligible designated current assets, eligible designated book debts, loan instalments, receivables and underlying assets arising out of finance of the Company.
- Cash credit facilities and working capital demand loans from banks are secured by way of first and exclusive charge, both present & future, over the eligible designated current assets, eligible designated book debts, loan instalments, receivables and underlying assets arising out of finance of the Company.
- Liabilities against securitisation represents amounts received in respect of securitisation transactions (net of repayments & investment therein) as these transactions do not meet the de-recognition criteria specified under Ind AS 109. These are secured by way of hypothecation of designated assets on finance receivables.

Note 19: Subordinated liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
<i>(Measured at amortised cost)</i>		
<i>(Unsecured)</i>		
Non-convertible debentures	22,438.24	32,394.98
Term loans:		
- from banks	-	5,057.33
- from financial institution	2,518.37	2,513.83
Total	24,956.61	39,966.14
Subordinated liabilities in India	24,956.61	39,966.14
Subordinated liabilities outside India	-	-
Total	24,956.61	39,966.14

Refer note 21(a) for terms of repayment.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 19: Subordinated liabilities (cont'd)

Details of subordinated liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Term loans (unsecured)		
- from banks	-	5,057.33
- from financial institution	2,518.37	2,513.83
Subtotal	2,518.37	7,571.16
(b) Non-convertible debentures (unsecured)		
12.85% Karvy Capital Limited (Face Value ₹10 each) 2,50,00,000 debentures, maturing in October 2026	2,493.35	-
13.65% Piramal Structured Credit Opportunity Fund (Face Value ₹100 lakhs) 200 debentures; maturing in June 2027	19,944.89	19,898.05
Subtotal	22,438.24	19,898.05
Total (a+b)	24,956.61	27,469.21

Note 20: Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Total
As on March 31, 2024	40,903.81	5,20,796.16	39,884.29	6,01,584.26
Cash flows:				
Proceeds	-	10,63,152.37	-	10,63,152.37
Repayment	(19,250.00)	(11,66,622.91)	-	(11,85,872.91)
Non cash:				
Amortisation of upfront fees and interest accrual	(350.12)	(8,255.08)	81.85	(8,523.35)
As on March 31, 2025	21,303.69	4,09,070.54	39,966.14	4,70,340.37
Cash flows:				
Proceeds	-	5,24,897.50	-	5,24,897.50
Repayment	(5,200.00)	(3,86,858.58)	(15,000.00)	(4,07,058.58)
Non cash:				
Amortisation of upfront fees and interest accrual	(91.12)	1,883.68	(9.53)	1,783.03
As on March 31, 2026	16,012.57	5,48,993.14	24,956.61	5,89,962.32

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 21(a): Terms of repayment of debt securities and subordinated liabilities

As on March 31, 2026:

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	1	5,200.00	2	10,400.00	-	-	-	-	-	-	15,600.00
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Bullet	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	1	2,500.00	2	22,500.00	-	-	-	-	-	-	25,000.00
Total			7,700.00		32,900.00		-		-		-	40,600.00

As on March 31, 2025:

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	1	5,200.00	1	5,200.00	2	10,400.00	-	-	-	-	20,800.00
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Bullet	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-	-	-
	12% to 15%	3	15,000.00	1	2,500.00	2	22,500.00	-	-	-	-	40,000.00
Total			20,200.00		7,700.00		32,900.00		-		-	60,800.00



Note 21(b): Terms of repayment of borrowings (other than debt securities)

As on March 31, 2026:

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Up to 9%	76	17,758.34	22	3,291.71	-	-	-	-	-	-	21,050.05
	9% to 12%	603	1,50,469.47	272	70,741.41	51	9,143.04	-	-	-	-	2,30,353.92
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Up to 9%	4	1,000.00	1	250.00	-	-	-	-	-	-	1,250.00
	9% to 12%	113	1,19,164.91	77	92,562.46	18	16,972.60	1	333.33	-	-	2,29,033.30
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	12	15,209.65	6	5,747.19	-	-	-	-	-	-	20,956.84
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Monthly (*)	9% to 12.50%	67	41,227.90	11	5,923.51	-	-	-	-	-	-	47,151.41
Total			3,44,830.27		1,78,516.28		26,115.64		333.33		-	5,49,795.52

(*) Represents securitised liability from banks and others.

As on March 31, 2025:

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Up to 9%	9	1,499.99	2	333.35	-	-	-	-	-	-	1,833.34
	9% to 12%	625	1,73,693.96	431	1,07,849.89	99	15,424.97	-	-	-	-	2,96,968.82
	12% to 15%	8	872.52	-	-	-	-	-	-	-	-	872.52
Quarterly	Up to 9%	2	500.00	4	1,000.00	2	500.00	-	-	-	-	2,000.00
	9% to 12%	60	38,258.15	48	30,575.51	19	13,645.04	-	-	-	-	82,478.70
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Up to 9%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	6	9,033.74	7	11,784.34	2	3,677.50	-	-	-	-	24,495.58
	12% to 15%	-	-	-	-	-	-	-	-	-	-	-
On demand	Variable rates	-	-	-	-	-	-	-	-	-	-	-
Monthly (*)	9% to 12%	2	935.18	-	-	-	-	-	-	-	-	10.60
Total			2,24,804.14		1,51,543.09		33,247.51		-		-	4,09,594.74

(*) Represents securitised liability from banks.

Notes:

1. All the above repayments disclosed as per the contractual maturities of debt securities, borrowings (other than debt securities) and subordinate liabilities at gross carrying value.
2. There have been no defaults in repayment of any instalments of term loan, debt securities and subordinate liabilities taken from banks and others.
3. The company's term loans were applied for the purpose for which the loans were obtained, other than ₹40,974.25 lakhs (March 31, 2025: nil) which remain unutilised as at March 31, 2026 because the funds were received towards the end of the year. The Company has temporarily maintained such unutilised balance in cash and cash equivalents and mutual funds as at March 31, 2026.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 22: Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
(Measured at amortised cost)		
Payable towards assignment transactions (*)	2,681.46	2,963.98
Employees dues	3,573.25	3,223.30
Lease liabilities (refer note 61)	714.89	675.41
Other payables (**)	483.38	475.45
Total	7,452.98	7,338.14

(*) Includes payable from related party of ₹1.79 lakhs (March 31, 2025: ₹0.7 Lakhs) as on March 31, 2026 (Refer note 48).

(**) Includes payable to insurance partners ₹281.99 lakhs for March 31, 2026 (March 31, 2025: ₹326.14 Lakhs).

Note 23: Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employees benefits:		
Provision for gratuity	2,701.85	2,239.46
Provision for compensated absences	1,565.30	1,657.19
Total	4,267.15	3,896.65

Refer note 40 on employee benefits

Note 24: Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues	986.37	939.65
Advance from customers	25.00	569.63
Others	55.33	230.05
Total	1,066.70	1,739.33



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 25: Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Authorised share capital				
a. <i>Equity shares of ₹ 10 each</i>				
At the beginning of the year	27,50,00,000	27,500.00	19,50,00,000	19,500.00
Additions during the year		-	8,00,00,000	8,000.00
Balance at the end of the year	27,50,00,000	27,500.00	27,50,00,000	27,500.00
b. <i>Compulsorily convertible preference shares of ₹ 10 each</i>				
At the beginning of the year	-	-	8,00,00,000	8,000.00
Deletion during the year	-	-	(8,00,00,000)	-8,000.00
Balance at the end of the year	-	-	-	-

Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Issued, subscribed and fully paid up equity shares				
<i>Equity shares of ₹ 10 each</i>				
At the beginning of the year	15,89,12,320	15,891.23	15,74,12,320	15,741.23
Additions during the year [Refer note (a) below]	5,00,000	50.00	15,00,000	150.00
Balance at the end of the year	15,94,12,320	15,941.23	15,89,12,320	15,891.23

(a) Reconciliation of number of equity shares issued to ESOP Trust outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Balance at the beginning of the year	64,68,112	4,958.64	49,68,112	2,733.39
Add: Equity shares issued to ESOP trust (*)	5,00,000	741.75	15,00,000	2,225.25
Less: Equity shares allotted to employees during the year	-	-	-	-
Outstanding at the end of the year	69,68,112	5,700.39	64,68,112	4,958.64

(*) During the year ended March 31, 2026, the Company has issued 5,00,000 [March 31, 2025: 15,00,000 equity shares of ₹10.00 each under the Arohan ESOP plan 2021 (grant 2024)] equity shares of ₹10.00 each under the Arohan ESOP plan 2021 (grant 2025) aggregating to ₹741.75 lakhs (March 31, 2025: ₹2,225.25 lakhs) including premium.

(b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. During the financial year the Company has not proposed/ declared any dividend on equity shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 25: Share capital (cont'd)

(c) No additional shares were allotted as fully paid-up by way of bonus shares or pursuant to contract without payment being received in cash during the financial year. Further, none of the shares were bought back by the Company during the financial year.

(d) Shareholding of promoters

Shares held by promoters at the end of the year	As at March 31, 2026		As at March 31, 2025		Percentage change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
1. Aavishkaar Venture Management Services Private Limited	60,94,083	3.82%	60,94,083	3.83%	(0.01%)
2. Intellectual Capital Advisory Services Private Limited	1,64,72,146	10.33%	1,64,72,146	10.37%	(0.03%)

(e) Details of shareholders holding more than 5% shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number	percentage (%)	Number	percentage (%)
Equity shares of ₹10 each				
Teachers Insurance And Annuity Association Of America (TIAA)	1,92,20,332	12.06%	1,92,20,332	12.09%
Aavishkaar Goodwill India Microfinance Development Company II Limited	1,85,39,529	11.63%	1,85,39,529	11.67%
Tano India Private Equity Fund II	1,66,87,029	10.47%	1,66,87,029	10.50%
Intellectual Capital Advisory Services Private Limited	1,64,72,146	10.33%	1,64,72,146	10.37%
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	1,57,28,114	9.87%	1,57,28,114	9.90%
Maj Invest Financial Inclusion Fund II	1,54,01,267	9.66%	1,54,01,267	9.69%
Danish Sustainable Development Goals Investment Fund K/S (IFU)	1,34,81,631	8.46%	1,34,81,631	8.48%
TR Capital III Mauritius	97,18,722	6.10%	97,18,722	6.12%

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

There are no class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash nor any class of shares allotted as fully paid up by way of bonus shares nor any class of shares bought back during the period of five years immediately preceding the reporting date.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 26: Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium	1,22,993.78	1,22,302.03
Statutory reserves	20,355.92	17,909.27
Retained earnings	63,537.44	53,754.10
General reserve	80.27	80.27
Share option outstanding account	3,735.78	2,700.80
Treasury shares	(10,866.62)	(10,124.87)
Total	1,99,836.57	1,86,621.60

Nature and purpose of reserves:

Securities premium

The securities premium represents premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserves

This reserve is created as per the provision of section 45(IC) of the Reserve Bank of India ('RBI') Act, 1934. An amount equal to 20% of profits after tax is transferred to this reserve every year. This is a restricted reserve and any appropriation from this reserve can only be made after prior approval from Reserve Bank of India (RBI).

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.

General reserve

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act, 2013.

Share option outstanding account

The reserve is used to recognise the grant date fair value of the options issued to the employees of the Company under its stock option plan.

Treasury shares

The Company has created ESOP trust for providing ESOP to its employees. The Company treats ESOP trust as its extension and share held by ESOP trust are treated as treasury shares. Own equity instrument that are re-acquired (treasury shares) are recognised at cost and deducted from equity.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 27: Employee stock option scheme ('ESOP Scheme')

Arohan ESOP Trust ('ESOP Trust') was formed on March 19, 2010 to promote participation of the eligible employees of the Company in the ownership and growth of the Company and to confer on them certain welfare benefits through the implementation of the welfare schemes. Pursuant to the shareholders' approval in the meeting held on March 15, 2010 and April 27, 2018 (empowering the Board and Nomination and Remuneration Committee (NRC) to take any further decisions with regard to the ESOP schemes), the Board and Nomination and Remuneration Committee (NRC) has been authorized to issue employee stock options, that are exercisable into not more than 80,00,000 equity shares of the Company to eligible employees and has extended interest free loan to ESOP Trust under the Scheme to provide financial assistance to its employees to purchase equity shares of the Company under such the Scheme.

Presently, stock options have been granted or shares have been issued under the following scheme:

- A. ESOP 2010 (grant 2017)
- B. ESOP 2018 (grant 2018)
- C. ESOP 2018 (grant 2019)
- D. ESOP 2018 (grant 2020)
- E. ESOP 2021 (grant 2021)
- F. ESOP 2021 (grant 2022)
- G. ESOP 2021 (grant 2023)
- H. ESOP 2021 (grant 2024)
- I. ESOP 2021 (grant 2025)

(i) Employee stock option schemes:

Particulars	ESOP 2010 (grant 2017)	ESOP 2018 (grant 2018)	ESOP 2018 (grant 2019)	ESOP 2018 (grant 2020)	ESOP 2021 (grant 21)	ESOP 2021 (grant 22)	ESOP 2021 (grant 23)	ESOP 2021 (grant 24)	ESOP 2021 (grant 25)
Date of grant	August 29, 2017	May 16, 2018	May 16, 2019	August 04, 2020	June 05, 2021	August 19, 2022	August 30, 2023	August 30, 2024	August 29, 2025
Date of Board approval	May 19, 2017	April 27, 2018	May 15, 2019	June 26, 2020	June 04, 2021	May 11, 2022	May 12, 2023	May 24, 2024	May 23, 2025
Date of committee meeting where grant of options were approved	May 19, 2017	April 27, 2018	February 18, 2019	June 26, 2020	June 04, 2021	May 11, 2022	May 12, 2023	August 30, 2024	May 23, 2025
Date of shareholders' approval	August 29, 2017	May 15, 2018	March 18, 2019	August 03, 2020	February 08, 2021	August 11, 2022	August 07, 2023	August 06, 2024	August 12, 2025
Number of options granted	2,29,280	5,97,264	7,69,528	8,42,858	9,82,867	9,97,942	13,91,143	18,07,444	12,55,672
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting conditions	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.	1. Continued employment with the Company on relevant date of vesting 2. Board may specify certain performance criteria.
Vesting period	12 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.	36 months from date of grant of option.
Exercise period	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.	For KMP and others: 10 year from the date of vesting.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 27: Employee stock option scheme ('ESOP Scheme') (cont'd)

(ii) Details of grant and exercise of such options are as follows:

Particulars	ESOP 2010 (grant 2017)	ESOP 2018 (grant 2018)	ESOP 2018 (grant 2019)	ESOP 2018 (grant 2020)	ESOP 2021 (grant 2021)	ESOP 2021 (grant 2022)	ESOP 2021 (grant 2023)	ESOP 2021 (grant 2024)	ESOP 2021 (grant 2025)
Number of option granted	2,29,280	5,97,264	7,69,528	8,42,858	9,82,867	9,97,942	13,91,143	18,07,444	12,55,672
March 31, 2026									
Outstanding number of options	98,000	3,74,824	4,76,305	5,25,549	6,49,951	7,26,525	11,43,533	14,71,397	12,21,422
Exercisable number of options	98,000	3,74,824	4,76,305	5,25,549	6,49,951	7,26,525	7,62,355	4,90,466	-
March 31, 2025									
Outstanding number of options	98,000	3,74,824	4,76,305	5,31,549	6,56,551	7,36,508	11,81,683	15,74,964	-
Exercisable number of options	98,000	3,74,824	4,76,305	5,31,549	6,56,551	4,91,005	3,93,894	-	-

(iii) The weighted average exercise price and remaining contractual life of the ESOP Scheme are as follows:

Particulars	ESOP 2010 (grant 2017)	ESOP 2018 (grant 2018)	ESOP 2018 (grant 2019)	ESOP 2018 (grant 2020)	ESOP 2021 (grant 2021)	ESOP 2021 (grant 2022)	ESOP 2021 (grant 2023)	ESOP 2021 (grant 2024)	ESOP 2021 (grant 2025)
March 31, 2026									
Exercise price	84.70	130.00	162.80	170.00	210.00	153.94	124.00	148.35	148.35
Weighted average remaining contractual life (in years)	-	-	-	-	-	-	0.41	1.42	2.41
March 31, 2025									
Exercise price	84.70	130.00	162.80	170.00	210.00	153.94	124.00	148.35	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.38	1.41	2.42	-

(iv) Reconciliation of stock options:

Particulars	ESOP 2010 (grant 2017)	ESOP 2018 (grant 2018)	ESOP 2018 (grant 2019)	ESOP 2018 (grant 2020)	ESOP 2021 (grant 2021)	ESOP 2021 (grant 2022)	ESOP 2021 (grant 2023)	ESOP 2021 (grant 2024)	ESOP 2021 (grant 2025)
Outstanding as at March 31, 2024	98,000	3,88,824	5,08,705	5,60,349	7,24,391	8,17,675	13,52,293	-	-
Stock option issued during the year	-	-	-	-	-	-	-	18,07,444	-
Add: Stock option exercised and vested	-	-	-	-	-	-	-	-	-
Less: Stock option forfeited/ lapsed	-	14,000	32,400	28,800	67,840	81,167	1,70,610	2,32,480	-
Outstanding as at March 31, 2025	98,000	3,74,824	4,76,305	5,31,549	6,56,551	7,36,508	11,81,683	15,74,964	-
Stock option issued during the year	-	-	-	-	-	-	-	-	12,55,672
Add: Stock option exercised and vested	-	-	-	-	-	-	-	-	-
Less: Stock option forfeited/ lapsed	-	-	-	6,000	6,600	9,983	38,150	1,03,567	34,250
Outstanding as at March 31, 2026	98,000	3,74,824	4,76,305	5,25,549	6,49,951	7,26,525	11,43,533	14,71,397	12,21,422

(v) The Company has recognized share based payment expense of ₹1,034.98 lakhs (March 31, 2025: ₹760.25 lakhs) during the year as proportionate cost. (Refer note 37).

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 27: Employee stock option scheme ('ESOP Scheme') (cont'd)

(vi) None of the employees have received a grant in the reporting year of option amounting to 5% or more of total option granted against ESOP 2021 (grant 2025) and grant equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

(vii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

Particulars	ESOP 2010 (grant 2017)	ESOP 2018 (grant 2018)	ESOP 2018 (grant 2019)	ESOP 2018 (grant 2020)	ESOP 2021 (grant 2021)	ESOP 2021 (grant 2022)	ESOP 2021 (grant 2023)	ESOP 2021 (grant 2024)	ESOP 2021 (grant 2025)
(A) Date of grant of options	August 29, 2017	May 16, 2018	May 16, 2019	August 04, 2020	June 05, 2021	August 19, 2022	August 30, 2023	August 30, 2024	August 29, 2025
(B) Fair market value of option on the date of grant	14.71	37.61	49.53	56.83	75.94	47.26	76.30	87.85	87.90
(C) Exercise price (₹)	84.70	130.00	162.80	170.00	210.00	153.94	124.00	148.35	148.35
(D) Expected volatility (%)	35.95	34.25	39.02	47.60	46.31	51.08	50.43	47.85	48.36
(E) Expected forfeiture percentage on each vesting date	-	-	-	-	-	-	-	-	-
(F) Expected option life (weighted average)	1.04	2.50	2.50	2.57	3.00	2.50	7.01	7.01	7.00
(G) Expected dividends yield	-	-	-	-	-	-	-	-	-
(H) Risk free interest rate (%)	6.07%	7.51%	6.75%	4.39%	4.95%	6.57%	7.07%	6.66%	6.49%

Note: The expected volatility was determined based on historical volatility data of the other comparable Company's shares listed on the Stock Exchange.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 28: Interest income (Measured at amortised cost)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income		
Interest on loan portfolio	1,35,672.29	1,49,104.31
Interest on deposits with banks	3,799.66	6,010.92
Interest income on investments	1,664.38	2,165.00
Interest income on unwinding of assigned portfolio	403.68	822.34
Other interest income	10.29	15.22
Total	1,41,550.30	1,58,117.79

Note 29: Dividend income (Measured at amortised cost)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend income	4.36	12.50
Total	4.36	12.50

Note: Represents dividend income received in FY 2025-26 of ₹4.36 lakhs from unquoted equity instruments in Alpha Micro Finance Consultant Private Limited on account of voluntary liquidation (dividend income received in FY 2024-25 of ₹12.50 lakhs).

Note 30: Fees and commission income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income from cross sale business	211.82	1,354.49
Income from insurance commission	6,293.62	4,573.45
Other insurance related income	3,037.42	3,725.81
Total	9,542.86	9,653.75

Note:

- Revenue from fees and commission are generated in India and at a fixed rate which are recognised at a point in time.
- Payments are received as per the agreed credit period.
- There are no adjustments made to the contract price.

Note 31: Net gain on fair value changes

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net gain on financial instruments measured at fair value through profit and loss		
Fair value gain on mutual fund	1,030.45	-
Total	1,030.45	-
Fair value changes		
- Realised	977.12	-
- Unrealised	53.33	-
Total	1,030.45	-

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 32: Net gain on derecognition of financial instruments under amortised cost category

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gain on sale of loan portfolio through assignment	2,322.37	1,167.91
Total	2,322.37	1,167.91

Note 33: Other operating income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Other operating income (*)	37.49	222.75
Total	37.49	222.75

(*) Other operating income includes nil lakhs (March 31, 2025: ₹168.95 Lakhs) towards reimbursement of expenses.

Note 34: Other income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Advisory fees income	557.81	-
Miscellaneous income	109.67	351.37
Total	667.48	351.37

Note 35: Finance costs (Measured at amortised cost)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on debt securities	1,864.25	3,323.18
Interest on borrowings (other than debt securities)	45,701.94	53,000.89
Interest on subordinated liabilities	3,771.63	5,527.49
Interest on leasing arrangements (Refer note 61)	80.92	79.40
Other interest expenses	1,040.66	1,264.88
Total	52,459.40	63,195.84

Note 36: Impairment on financial instruments

Particulars	Year ended March 31, 2026		
	On financial assets measured at fair value through profit & loss	On financial instruments measured at amortised Cost	Total
Impairment loss allowance on loans (*)	-	(4,391.33)	(4,391.33)
Impairment loss allowance on security receipts	(500.00)	-	(500.00)
Bad debt written off (net of recoveries) (**)	-	35,233.69	35,233.69
Total	(505.00)	30,842.36	30,337.36



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 36: Impairment on financial instruments (cont'd)

Particulars	Year ended March 31, 2025		
	On financial assets measured at fair value through profit & loss	On financial instruments measured at amortised Cost	Total
Impairment loss allowance on loans (*)	-	5,385.21	5,385.21
Impairment on security receipts	2,344.00	-	2,344.00
Impairment loss allowance on trade receivables	5.00	-	5.00
Bad debt written off (net of recoveries) (**)	-	32,017.20	32,017.20
Total	2,349.00	37,402.41	39,751.41

(*) Impairment loss allowance on loans excludes impairment of ₹821.79 Lakhs (March 31, 2025: ₹240.23 Lakhs) relating to interest on credit impaired assets, which is netted off from interest income in accordance with Ind AS 109 of Financial Instrument.

(**) It includes insurance receivables written off amounting to ₹211.97 lakhs after netting off bad debt loan recoveries of ₹4,697.63 lakhs. (March 31, 2025: It includes insurance receivables written off amounting to ₹465.68 lakhs after netting off bad debt recoveries of ₹7,935.85 lakhs).

Note 37: Employee benefits expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages (*)	34,143.54	34,040.07
Contribution to provident and other funds (Refer note 40)	3,823.36	3,486.21
Share based payments to employees (Refer note 27)	1,034.98	760.25
Staff welfare expenses	670.13	633.47
Total	39,672.01	38,920.00

(*) During the year ended March 31, 2026, the Company has claimed grants from National Apprenticeship Training Scheme (NATS) for ₹738.92 lakhs (March 31, 2025: nil) against stipend expenses on the trainees registered with NATS. These grants has been set off against the stipend of trainees.

Note 38: Depreciation and amortization

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment	592.11	340.52
Depreciation on right of use assets	203.73	208.67
Amortisation of intangible assets	125.34	136.20
Total	921.18	685.39

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 39: Other expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rent (refer note 61)	2,087.84	1,933.51
Repairs and maintenance	1,874.57	1,469.94
Insurance	3,055.99	850.55
Power and fuel	231.48	216.27
Rates and taxes	38.84	56.42
Office expenses	322.48	366.01
Membership and subscription	99.21	100.75
Office maintenance	579.51	557.17
Printing and stationery	239.34	249.46
Legal and professional expenses	1,656.29	2,031.02
Director's commission (refer note 48)	417.47	372.23
Recruitment and induction expenses	196.24	342.71
Communication expenses	129.51	116.60
Travelling and conveyance	3,849.59	3,890.46
Payment to auditors [refer note (a) below]	166.27	161.54
Corporate social responsibility expenses (refer note 59)	426.93	390.22
Miscellaneous expenses	52.71	60.07
Total	15,424.27	13,164.93
Note (a)		
Payments to auditors (excluding applicable taxes)		
Statutory audit	132.00	140.00
Tax audit (other than statutory auditors)	1.75	1.77
In other capacity		
Other services (*)	0.29	1.00
Reimbursement of expenses	32.23	18.77
Total	166.27	161.54

(*) During the year ended March 31, 2026, an amount of ₹28.32 lakhs amount (March 31, 2025: ₹114.76 lakhs) has been paid as statutory auditor's professional services for draft red hearing prospectus (DRHP) filing which has been presented under other non financial assets (refer note 15).



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under:

a) Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employers contribution to provident and other fund	3,823.36	3,486.21

b) Defined benefit plans

(a) Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of Chapter V "payment of Gratuity" under The Labour Code (erstwhile Payment of Gratuity Act, 1972). The scheme is funded and the scheme is managed by Life Insurance Corporation of India ('LIC'). The liability of gratuity is recognized on the basis of actuarial valuation (refer note 64).

Risks associated with plan provisions

Salary increases	Actual salary increases will result in increase in the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.
Investment risk	As plan is funded, assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation	4,706.64	4,061.94
Fair value of plan assets	2,004.79	1,822.48
Net obligation recognised in balance sheet as provision	2,701.85	2,239.46

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	728.38	433.09
Net interest cost on defined benefit obligation	145.46	77.74
Net impact on profit (before tax)	873.84	510.83

(iii) Amount recognised in the other comprehensive income (OCI):

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Actuarial (gains)/ losses		
change in demographic assumptions	(720.71)	-
change in financial assumptions	876.10	298.81
experience variance	(120.26)	591.34
Return on plan assets, excluding amount recognised in net interest expense	(30.74)	34.17
Actuarial losses recognized in OCI	4.39	924.32

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the beginning of the year	4,061.94	2,935.46
Current service cost	728.38	433.09
Interest cost	263.84	191.88
Benefits paid	(382.66)	(388.64)
Actuarial (gain)/ loss on obligation		
Actuarial (gain)/ loss on arising from change in financial assumption	876.10	298.81
Actuarial (gain)/ loss on demographic assumptions	(720.71)	-
Actuarial (gain)/ loss on arising from experience adjustment	(120.25)	591.34
Present value of defined benefit obligation as at the end of the year	4,706.64	4,061.94

(v) Major categories of plan assets (as percentage of total plan assets):

Particulars	As at March 31, 2026	As at March 31, 2025"
Funds managed by LIC of India	100%	100%



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(vi) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at beginning of the year	1,822.48	1,518.50
Interest income on plan assets	118.38	114.14
Employer's contribution	415.85	612.65
Benefits paid	(382.66)	(388.64)
Return on plan assets	30.74	(34.17)
Fair value of plan assets at the end of the year	2,004.79	1,822.48

(vii) Actuarial assumptions

Particulars	As at March 31, 2026	As at March 31, 2025
Discounting rate (per annum)	6.45%	6.50%
Future salary increase (per annum)		
Field staff	8.00%	8.00%
Non-field staff	10.00%	8.00%
Retirement age (in years)	60	60
Attrition/ withdrawal rate		
Upto 5 years of service	NA	50.00%
More than 5 years of service	NA	1.00%
Attrition/ withdrawal rate		
Field Staff	40.00%	NA
Non-field staff	12.00%	NA
Weighted average duration (in years)	5	11

Mortality rates as per Indian Assured Life Mortality (2012-14) ultimate

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(viii) Sensitivity analysis for gratuity liability

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 1%	(226.61)	(566.61)
- Impact due to decrease of 1%	252.08	707.85
Impact of the change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 1%	242.25	701.00
- Impact due to decrease of 1%	(222.57)	(572.15)
Impact of the change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of 1%	(434.05)	NA
- Impact due to decrease of 1%	784.14	NA
Impact of the change in mortality rates		
Present value of obligation at the end of the year		
- Impact due to increase of 1%	(0.98)	NA
- Impact due to decrease of 1%	0.96	NA

Sensitivities due to mortality and attrition/ withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(ix) Maturity profile of defined benefit obligation (discounted)

Year	As at March 31, 2026	As at March 31, 2025
0 to 1 year	1,106.58	385.45
1 to 2 year	784.43	108.45
2 to 3 year	646.29	117.90
3 to 4 year	560.50	99.98
4 to 5 year	494.71	70.76
5 year onwards	3,423.90	719.69
Total	7,016.41	1,502.23

(x)

Particulars	As at March 31, 2026	As at March 31, 2025
Expected employer contributions for next financial year	3,457.93	541.99



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(b) Pension Fund

The Company has a defined benefit pension plan. Family members of eligible deceased employee is entitled to pension as per the provisions of the Pension scheme. The liability of pension is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will result in increase in the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation	-	-
Net obligation recognised in balance sheet as provision	-	-

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	-	-
Past service cost	-	-
Settlement credit	-	-
Net interest on net defined benefit liability/ (asset)	-	-
Immediate recognition of (gains)/ losses	-	-
Payment made during the year	-	-
Net impact on profit (before tax)	-	-

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the beginning of the year	-	28.21
Current service cost	-	(28.21)
Interest cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	-	-
Actuarial (gain)/ loss on arising from change in financial assumption	-	-
Actuarial loss on arising from experience adjustment	-	-
Present value of defined benefit obligation as at the end of the year	-	-

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(iv) Actuarial assumptions

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Discounting rate	-	-
Future salary increase	-	-
Retirement age (in years)	-	-
Withdrawal rate	-	-
Upto 5 years of service	-	-
More than 5 years of service	-	-
Weighted average duration (in years)	-	-

(v) Sensitivity analysis for pension fund

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 1%	-	-
- Impact due to decrease of 1%	-	-

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vi) Maturity profile of defined benefit obligation (discounted)

Particulars	As at March 31, 2026	As at March 31, 2025
Year		
0 to 1 year	-	-
1 to 2 year	-	-
2 to 3 year	-	-
3 to 4 year	-	-
4 to 5 year	-	-
5 to 6 year	-	-
Total	-	-



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 40: Employee benefits (cont'd)

b) Defined benefit plans (cont'd)

(c) Compensated absences

The Company has a defined compensated absence plan. Every employee are entitled to compensated absences as per the provisions of the scheme. The liability of compensated absences is recognized on the basis of actuarial valuation.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation	1,565.30	1,657.19
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	1,565.30	1,657.19

(ii) Changes in the present value of obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the beginning of the year	1,657.19	1,320.91
Current service cost	195.62	296.17
Past service cost	1.65	-
Interest cost	85.81	64.99
Benefits paid	(310.37)	(256.09)
Actuarial (gain)/ loss on obligation		
Actuarial (gain)/ loss on arising from change in financial assumption	193.40	60.99
Actuarial (gain)/ loss on demographic assumptions	(260.22)	-
Actuarial (gain)/ loss on arising from experience adjustment	2.22	170.22
Present value of defined benefit obligation as at the end of the year	1,565.30	1,657.19

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 41: Income tax expenses

(a) Income tax recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax	3,195.30	5,031.72
Deferred tax expense/ (credit)		
<i>Attributable to:</i>		
1. Origination and reversal of temporary differences	718.80	(1,857.03)
2. Recognition of previously unrecognised deductible temporary differences	193.72	(334.77)
Total tax expenses	4,107.82	2,839.92

(b) Reconciliation of income tax expenses and the accounting profit for the year:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit before tax	16,341.09	13,808.50
Enacted tax rates (%)	25.17%	25.17%
Income tax expense calculated at corporate tax rate	4,112.73	3,475.32
Reconciliation items		
Impact of tax relating to earlier years	331.07	(191.70)
Impact due to different tax rate	(22.38)	3.78
Tax impact of expenses not deductible	107.57	98.58
Impact on account of deductions claimed under Income Tax Act	(534.70)	(786.60)
Others (*)	113.53	240.54
Total tax expenses	4,107.82	2,839.92

(*) includes items taxable on cash basis.

Note 42: Earning per equity share (EPS)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net profit attributable to equity shareholders	12,233.27	10,968.58
Nominal value of equity share (₹)	10.00	10.00
Number of equity shares (Refer note 25)	15,89,12,320	15,74,12,320.00
Less: Impact of treasury shares	64,68,112	49,68,112.00
Weighted average number of equity shares for basic earning per share	15,24,44,208	15,24,44,208
Add : Diluting effect of potential equity shares issued as employee stock options	2,76,109	2,82,371
Weighted average number of equity shares for diluted earning per share	15,27,20,317	15,27,26,579
Earnings per share		
- Basic earnings per share (₹)	8.02	7.20
- Diluted earnings per share (₹)	8.01	7.18



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 43: Financial Instruments - fair value measurements

(A) Financial assets and liabilities

The following tables shows the carrying amount of the financial assets and financial liabilities

As at March 31, 2026

Particulars	Note	At fair value through profit and loss	At fair value through other comprehensive income	At amortised cost	Total
Financial assets:					
Cash and cash equivalents	4	-	-	33,146.76	33,146.76
Bank balance other than cash and cash equivalents	5	-	-	19,132.44	19,132.44
Trade receivables	6	-	-	1,353.26	1,353.26
Loans	7	-	-	7,00,698.72	7,00,698.72
Investments	8	21,162.29	-	32,408.34	53,570.63
Other financial assets	9	-	-	2,241.03	2,241.03
Total		21,162.29	-	7,88,980.55	8,10,142.84
Financial liabilities:					
Trade payables (micro enterprises and small enterprises)	16	-	-	2.30	2.30
Trade payables (other than micro enterprises and small enterprises)	16	-	-	3,464.44	3,464.44
Debt securities	17	-	-	16,012.57	16,012.57
Borrowings (other than debt securities)	18	-	-	5,48,993.14	5,48,993.14
Subordinated liabilities	19	-	-	24,956.61	24,956.61
Others financial liabilities	22	-	-	7,452.98	7,452.98
Total		-	-	6,00,882.04	6,00,882.04

As at March 31, 2025

Particulars	Note	At fair value through profit and loss	At fair value through other comprehensive income	At amortised cost	Total
Financial assets:					
Cash and cash equivalents	4	-	-	43,647.55	43,647.55
Bank balance other than cash and cash equivalents	5	-	-	23,693.24	23,693.24
Trade receivables	6	-	-	837.89	837.89
Loans	7	-	-	5,70,510.84	5,70,510.84
Investments	8	1,881.20	-	34,453.40	36,334.60
Other financial assets	9	-	-	1,555.73	1,555.73
Total		1,881.20	-	6,74,698.65	6,76,579.85
Financial liabilities:					
Trade payables (other than micro enterprises and small enterprises)	16	-	-	2,751.52	2,751.52
Debt securities	17	-	-	21,303.69	21,303.69
Borrowings (other than debt securities)	18	-	-	4,09,070.54	4,09,070.54
Subordinated liabilities	19	-	-	39,966.14	39,966.14
Others financial liabilities	22	-	-	7,338.14	7,338.14
Total		-	-	4,80,430.03	4,80,430.03

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 43: Financial Instruments - fair value measurements (cont'd)

(B) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 input; and

Level 3: inputs that are not based on observable market data (unobservable inputs).

(C) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2026

Particulars	Level 1	Level 2	Level 3
Financial assets:			
Investments in mutual funds	20,715.64	-	-
Investments in security receipts	-	-	446.65
Total	20,715.64	-	446.65

As at March 31, 2025

Particulars	Level 1	Level 2	Level 3
Financial assets:			
Investments in security receipts	-	-	1,881.20
Total	-	-	1,881.20

There are no such financial liabilities measured at fair value.

No transfers has been made for any assets and liabilities which are held between Level 1 and Level 2 of the fair value hierarchy.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Non credit impaired portfolio loans are valued by discounting the aggregate future cash flows (both principal and interest cash flows) with risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using average lending rate of last quarter.
- For unquoted equity instruments, the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- For Government securities, security receipts and mutual funds the Company has used the net asset value (NAV) on the basis of the statement received from the investee party.
- All the borrowing facilities are fair valued by discounting the aggregate future cash flows (both principal and interest cash flows) with risk-adjusted discounting rate for the remaining loan tenor.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 43: Financial Instruments - fair value measurements (cont'd)

(D) Fair value of instruments measured at amortised cost

The financial assets such as cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables and other financial assets and financial liabilities i.e. other financial liabilities approximates their carrying value to their fair value. Fair value of loans, investments, debt securities, borrowings (other than debt securities) and subordinated liabilities measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 2 inputs.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Investments	32,408.34	32,617.60	34,453.40	34,511.22
Loans	7,00,698.72	7,04,722.74	5,70,510.84	5,78,286.04
Total	7,33,107.06	7,37,340.34	6,04,964.24	6,12,797.26
Financial liabilities				
Debt securities	16,012.57	16,111.62	21,303.69	21,272.91
Borrowings (other than debt securities)	5,48,993.14	5,47,823.43	4,09,070.54	4,09,027.73
Subordinated liabilities	24,956.61	25,924.45	39,966.14	41,409.19
Total	5,89,962.32	5,89,859.50	4,70,340.37	4,71,709.83

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash on hand, bank balance (other than cash and cash equivalents), trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Note 44: Financial risk management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets.	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base.
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities.	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required).
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities.	Sensitivity analysis	Review of cost of funds and pricing disbursement.
Market risk - security price	Investments in equity securities, mutual funds, security receipts and certificate of deposits.	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

A. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents excluding cash in hand, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Financial assets that expose the entity to credit risk

The following table provides information about the exposure to credit risk and expected credit loss for assets on finance.

Cash and cash equivalents and bank balance other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balance of ₹52,279.20 lakhs at March 31, 2026 (March 31, 2025: ₹67,340.79 lakhs). This also includes earmarked funds as on March 31, 2026 of ₹123.04 lakhs (March 31, 2025: ₹167.96 lakhs) which does not possess any credit risk. The rest of cash and cash equivalents including fixed deposits are held with bank and financial institution counterparties with sound credit ratings.

Expected credit loss on trade receivables and other financial assets

Trade receivables of ₹1,353.26 lakhs (March 31, 2025: ₹837.89 lakhs) primarily includes receivables against fees and commission income and are measured at amortised cost. These receivables are of short term in nature and there has been no impairment allowance on the same.

Other financial asset as on March 31, 2026 of ₹2,241.03 lakhs (March 31, 2025: ₹1,621.36 lakhs) are measured at amortised cost and there has been no impairment allowance on the same except for Insurance receivables of nil as on March 31, 2026 (March 31, 2025: ₹65.63 Lakhs).

Expected credit loss on Investments

The following table provides information about the exposure to credit risk and expected credit loss for investments

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit impaired
As at March 31, 2026				
Current (not past due)	53,123.98	-	-	No
Upto 30 days overdue	-	-	-	NA
More than 30 days and upto 60 days overdue	-	-	-	NA
More than 60 days and upto 90 days overdue	-	-	-	NA
More than 90 days overdue	2,853.42	84.35%	2,406.77	Yes
As at March 31, 2025				
Current (not past due)	34,458.40	0.01%	5.00	No
Upto 30 days overdue	-	-	-	NA
More than 30 days and upto 60 days overdue	-	-	-	NA
More than 60 days and upto 90 days overdue	-	-	-	NA
More than 90 days overdue	5,281.20	64.38%	3,400.00	Yes



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Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

A. Credit risk (cont'd)

Loans measured at amortised cost

The following table provides information about the exposure to credit risk and expected credit loss for loans

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit impaired
As at March 31, 2026				
Current (not past due)	7,03,825.95	1.22%	8,584.12	No
Upto 30 days overdue	3,367.02	26.16%	880.76	No
More than 30 days and upto 60 days overdue	1,749.88	66.50%	1,163.68	No
More than 60 days and upto 90 days overdue	1,811.43	39.69%	718.95	No
More than 90 days overdue	7,712.20	83.25%	6,420.25	Yes
As at March 31, 2025				
Current (not past due)	5,61,114.25	0.85%	4,778.84	No
Upto 30 days overdue	4,658.81	17.84%	831.26	No
More than 30 days and upto 60 days overdue	5,752.18	23.51%	1,352.36	No
More than 60 days and upto 90 days overdue	5,491.83	41.24%	2,264.97	No
More than 90 days overdue	16,412.88	83.42%	13,691.68	Yes

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

1. The client's income and fixed obligation to income ratio levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents;
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Movement of carrying amount and expected credit loss for loans

Definition of default: The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

A. Credit risk (cont'd)

Reconciliation of gross loan from beginning to end of financial year:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2024	6,63,360.22	4,101.46	11,157.78	6,78,619.46
Assets originated (*)	3,78,647.86	-	-	3,78,647.86
Net transfer between stages				
Transfer to stage 1	7.45	(5.37)	(2.08)	-
Transfer to stage 2	(11,236.05)	11,236.60	(0.55)	-
Transfer to stage 3	(41,362.15)	(3,538.07)	44,900.22	-
Assets derecognised or collected (excluding write offs)	(4,23,644.24)	(550.61)	(155.12)	(4,24,349.97)
Write - offs (including death cases & settlements)	(0.03)	-	(39,487.37)	(39,487.40)
Gross carrying amount as at March 31, 2025	5,65,773.06	11,244.01	16,412.88	5,93,429.95
Assets originated (*)	5,84,929.87	-	-	5,84,929.87
Net transfer between stages				
Transfer to stage 1	37.88	(32.65)	(5.23)	-
Transfer to stage 2	(3,508.58)	3,514.46	(5.88)	-
Transfer to stage 3	(23,487.31)	(9,520.93)	33,008.24	-
Assets derecognised or collected (excluding write offs)	(4,16,551.55)	(1,643.58)	(1,978.86)	(4,20,173.99)
Write - offs (including death cases & settlements)	(0.40)	-	(39,718.95)	(39,719.35)
Gross carrying amount as at March 31, 2026	7,07,192.97	3,561.31	7,712.20	7,18,466.48

(*) Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

Reconciliation of loss allowance from beginning to end of financial year:

Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance on March 31, 2024	4,129.35	1,758.54	11,157.78	17,045.67
Increase of provision due to assets originated during the year	7,373.26	-	-	7,373.26
Net transfer between stages				
Transfer to stage 1	3.91	(1.83)	(2.08)	-
Transfer to stage 2	(940.19)	940.74	(0.55)	-
Transfer to stage 3	(3,544.60)	(1,113.88)	4,658.48	-
Assets derecognised or collected	(5,931.43)	(967.83)	(3,162.78)	(10,062.04)
Impact of ECL on exposures transferred between stages during the year	4,519.83	3,001.59	40,528.20	48,049.62
Write - offs (including death cases & settlements)	(0.03)	-	(39,487.37)	(39,487.40)
Loss allowance on March 31, 2025 (*)	5,610.10	3,617.33	13,691.68	22,919.11
Increase of provision due to assets originated during the year	8,350.26	-	-	8,350.26
Net transfer between stages				
Transfer to stage 1	11.57	(8.62)	(2.95)	-
Transfer to stage 2	(406.61)	409.54	(2.93)	-
Transfer to stage 3	(1,975.01)	(2,726.94)	4,701.95	-
Assets derecognised or collected	(10,517.56)	(625.93)	(5,526.43)	(16,669.92)
Impact of ECL on exposures transferred between stages during the year	8,392.53	1,217.26	33,277.87	42,887.66
Write - offs (including death cases & settlements)	(0.40)	-	(39,718.95)	(39,719.35)
Loss allowance on March 31, 2026 (*)	9,464.88	1,882.64	6,420.24	17,767.76

* Impairment allowance on investment in security receipts as on March 31, 2026 of ₹2,406.77 lakhs (March 31, 2025: ₹3,400.00 lakhs) was not included in the above table. In addition to that there was an impairment loss as on March 31, 2026 of ₹493.23 lakhs (March 31, 2025: ₹944 lakhs) on account of change in NAV of security receipt.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

A. Credit risk (cont'd)

(b) Concentration of loans

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured loans	6,55,762.18	5,58,141.76
Secured term loans to corporates (#)	62,704.30	35,288.19
Total	7,18,466.48	5,93,429.95

(#) The secured term loans disbursed to corporates are all secured by book debts.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company has access to the following funding facilities:

As at March 31, 2026	Total facility	Drawn	Undrawn
- Expiring within one year	60,000.00	28,900.00	31,100.00
- Expiring beyond one year	-	-	-
Total	60,000.00	28,900.00	31,100.00

As at March 31, 2025	Total facility	Drawn	Undrawn
- Expiring within one year	85,000.00	19,101.00	65,899.00
- Expiring beyond one year	-	-	-
Total	85,000.00	19,101.00	65,899.00

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements. The Company has included both the interest and principal cash flows in the analysis.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

B. Liquidity risk (cont'd)

As at March 31, 2026

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non derivative financial assets					
Cash and cash equivalents	33,218.55	-	-	-	33,218.55
Bank balance other than cash and cash equivalents	15,219.41	3,005.22	1,702.80	338.44	20,265.87
Trade receivables	1,353.26	-	-	-	1,353.26
Loans	5,69,585.65	2,70,195.60	12,580.14	7,234.80	8,59,596.19
Investments (#)	47,188.26	6,676.50	2,853.42	-	56,718.18
Other financial assets	2,131.48	7.89	30.16	71.50	2,241.03
Total undiscounted financial assets	6,68,696.61	2,79,885.21	17,166.52	7,644.74	9,73,393.08
Financial liabilities					
Non derivative financial liabilities					
Trade payables (total outstanding dues of micro enterprises and small enterprises)	2.30	-	-	-	2.30
Trade payables (total outstanding dues of creditors other than micro enterprises and small enterprises)	3,464.44	-	-	-	3,464.44
Debt Securities	6,715.13	10,923.35	-	-	17,638.48
Borrowings other than debt securities	3,79,556.25	1,88,679.72	27,096.11	334.26	5,95,666.34
Subordinated liabilities	5,769.32	23,244.07	-	-	29,013.39
Other financial liabilities	6,920.51	187.51	128.98	215.98	7,452.98
Total undiscounted financial liabilities	4,02,427.95	2,23,034.65	27,225.09	550.24	6,53,237.93
Net undiscounted financial assets/ (liabilities)	2,66,268.66	56,850.56	(10,058.57)	7,094.50	3,20,155.15

(#) Investment includes security receipts, the cash flow of which is difficult to estimate hence classified as per the residual maturity allowed by RBI.

As at March 31, 2025

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non derivative financial assets					
Cash and cash equivalents	43,726.10	-	-	-	43,726.10
Bank balance other than cash and cash equivalents	16,796.63	7,467.57	905.00	338.44	25,507.64
Trade receivables	837.89	-	-	-	837.89
Loans	5,01,964.74	1,64,685.19	10,830.40	15,276.86	6,92,757.19
Investments (#)	19,005.65	16,532.20	-	5,281.20	40,819.05
Other financial assets	1,435.02	1.05	9.08	110.58	1,555.73
Total undiscounted financial assets	5,83,766.03	1,88,686.01	11,744.48	21,007.08	8,05,203.60
Financial liabilities					
Non derivative financial liabilities					
Trade payables (other than micro enterprises and small enterprises)	2,751.52	-	-	-	2,751.52
Debt Securities	6,574.75	6,852.45	11,198.00	-	24,625.20
Borrowings other than debt securities	2,47,898.83	1,61,296.05	34,493.24	-	4,43,688.12
Subordinated liabilities	17,877.67	5,848.53	24,005.07	-	47,731.27
Other financial liabilities	6,799.48	111.03	105.66	321.97	7,338.14
Total undiscounted financial liabilities	2,81,902.25	1,74,108.06	69,801.97	321.97	5,26,134.25
Net undiscounted financial assets/ (liabilities)	3,01,863.78	14,577.95	(58,057.49)	20,685.11	2,79,069.35

(#) Investment includes security receipts, the cash flow of which is difficult to estimate hence classified as per the residual maturity allowed by RBI.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

C. Market risk

a) Interest rate risk

(i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2026; the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure (*) of the Company to interest rate risk:

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate liabilities		
Debt securities	-	-
Borrowings (other than debt securities)	4,89,919.43	3,89,548.08
Subordinated liabilities	-	-
Fixed rate liabilities		
Debt securities	15,600.00	20,800.00
Borrowings (other than debt securities)	12,724.68	19,111.48
Subordinated liabilities	25,000.00	40,000.00
Liability against securitisation	47,151.41	935.18
Total	5,90,395.52	4,70,394.74

(*) Figures are presented at principal carrying value.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on debt securities, other borrowings and subordinated liabilities. Below is the sensitivity of profit and loss in interest rates.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest sensitivity*		
Interest rates – increase by 0.50%	2,477.92	2,742.14
Interest rates – decrease by 0.50%	(2,477.92)	(2,742.14)

* Holding all other variables constant

(ii) Assets

The Company's fixed deposits are carried at amortised cost bearing fixed rate of interest, hence sensitivity analysis is not been presented.

(b) Price risk

(i) Exposure

The Company's price risk exposure arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

(ii) Legal and operational risk

Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 44: Financial risk management (cont'd)

C. Market risk (cont'd)

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. As at March 31, 2026, there are no material legal cases pending against the Company. Based on the opinion of the Company's legal advisors, the management believes that no substantial liability is likely to arise from these cases.

Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes. The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy.
2. Well defined Governance Structure.
3. Use of identification and monitoring tools such as Loss Data Capture, Key Risk Indicators, BRisk Operation Grading of branches every quarter.
4. Standardised reporting templates, reporting structure and frequency.

The Company has adopted the internationally accepted 3-lines of defence approach to operational risk management.

First line – Field Operations, Central Operation & Product function and Credit vertical exercise & also evaluate internal compliance and thereby lay down/ calibrates processes & policies for further improvement. Thus, the approach is "bottom-up", ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line – Independent risk management vertical supports the first line in providing deep analytics insights, influencing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line – Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

Note 45: Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at March 31, 2026	As at March 31, 2025
Net debt (*)	5,89,962.32	4,70,340.37
Total equity	2,15,777.80	2,02,512.83
Net debt to equity ratio	2.73	2.32

(*) Net debt includes debt securities, borrowings other than debt securities, subordinated liabilities, interest accrued and net off loan processing cost.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 46: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	33,146.76	-	43,647.55	-
Other bank balance	14,637.78	4,494.66	16,141.83	7,551.41
Trade receivables	1,353.26	-	837.89	-
Loans	4,56,665.75	2,44,032.97	4,15,757.29	1,54,753.55
Investments	46,893.99	6,676.64	17,948.69	18,385.91
Other financial assets	2,131.48	109.55	1,435.02	120.71
	5,54,829.02	2,55,313.82	4,95,768.27	1,80,811.58
Non-financial assets				
Current tax assets (Net)	1,307.09	-	1,030.72	-
Deferred tax assets (Net)	-	7,102.44	-	8,013.85
Property, Plant and Equipment	515.22	564.11	320.58	571.12
Intangible assets under development	-	-	29.50	-
Other Intangible assets	298.49	-	118.72	270.68
Right to use asset	183.63	442.47	143.09	457.57
Other non-financial assets	1,331.70	105.70	1,009.14	34.02
	3,636.13	8,214.72	2,651.75	9,347.24
Total assets	5,58,465.15	2,63,528.54	4,98,420.02	1,90,158.82
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	2.30	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,464.44	-	2,751.52	-
(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	-	-	-	-
Debt securities	5,617.87	10,394.70	5,755.89	15,547.80
Borrowings (other than debt securities)	3,50,292.60	1,98,700.54	2,24,441.47	1,84,629.07
Subordinated liabilities	2,468.72	22,487.89	15,034.76	24,931.38
Others financial liabilities	6,920.51	532.47	6,799.48	538.66
	3,68,766.44	2,32,115.60	2,54,783.12	2,25,646.91
Non-financial liabilities				
Provisions	601.50	3,665.65	479.32	3,417.33
Other non-financial liabilities	1,066.70	-	1,714.33	25.00
	1,668.20	3,665.65	2,193.65	3,442.33
TOTAL LIABILITIES	3,70,434.64	2,35,781.25	2,56,976.77	2,29,089.24
Net Equity	1,88,030.51	27,747.29	2,41,443.25	(38,930.42)

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Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 47: Transferred financial assets

In the course of its micro finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitised its loan assets to an unrelated and other entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee ranging from 15.00% to 21.88% (March 31, 2025: 18.00%) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisation

Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying amount of securitised assets	55,539.41	41,673.59
Gross carrying amount of associated liabilities	47,151.41	41,003.55
Carrying value and fair value of securitised assets	55,539.41	41,673.59
Carrying value and fair value of associated liabilities	47,151.41	41,003.55
Net position	8,388.00	670.04

Note 48: Related party disclosure

A. Names of the related party and nature of relationship:

Description of relationship	Name
Key Managerial Personnel (KMP)	Manojkumar N Nambiar (Managing Director)
	Milind R Nare (Deputy Chief Executive Officer and Chief Financial Officer)
	Anirudh Singh G Thakur (Company Secretary and Chief Compliance Officer)
Nominee Director	Nitish Chawla (Non Executive - Nominee Director)
	Rupa Rajul Vora (Non Executive - Nominee Director)
	Vemuru Chandramouli (Non Executive - Nominee Director, till May 23, 2025)
	Vineet Chandra Rai (Promoter Nominee Director)
	Anurag Agrawal (Promoter Nominee Director)
	Karina Isabel Alva Alfaro (Non Executive - Nominee Director)
	Wilhelmus Marthinus Maria Van Der Beek (Non Executive - Nominee Director)
	Stephen Dongwon Lee (Non Executive - Nominee Director)
	Piyush Goenka (Non Executive Nominee Director, till May 09, 2025)
Independent Director	Sri Radha Ramana Saripalli, SIDBI (Non Executive-Nominee Director, from May 23, 2025)
	Dinesh Kumar Mittal (Non Executive - Independent Director)
	Jose Joseph Kattoor (Non Executive - Independent Director)
	Narasimha Kummamuri Murthy (Non Executive-Independent Director) (*)
	Ulhas Sharadkumar Deshpande (Non Executive - Independent Director)
	John Arunkumar Diaz (Non-Executive-Independent Director)

(*) Appointment was regularised as an Independent Director by the shareholders of the Company at its meeting held on April 22, 2025



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Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 48: Related party disclosure (cont'd)

B. Summary of related party transactions during the year

Name of party with nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
Director's commission (*) (**)		
Dinesh Kumar Mittal	50.00	50.00
Rajat Mohan Nag	-	21.00
Rupa Rajul Vora	20.00	20.00
Vineet Chandra Rai	150.00	150.00
Anurag Agrawal	48.00	48.00
John Arun kumar Diaz	30.00	30.00
Jose Joseph Kattoor	30.00	15.00
Ulhas Sharadkumar Deshpande	25.00	25.00
Narasimha Kummamuri Murthy	30.00	-
Remuneration		
Manojkumar N Nambiar	395.63	346.92
Milind R Nare	228.02	197.02
Anirudh Singh G Thakur	182.59	171.82
Sitting Fees (*)		
Dinesh Kumar Mittal	5.00	6.75
Rajat Mohan Nag	-	6.25
Ulhas Sharadkumar Deshpande	5.50	6.00
John Arun Kumar Diaz	8.50	9.75
Rupa Rajul Vora	3.25	4.00
Vemuru Chandramouli	-	0.50
Josh Joseph Kattoor	5.25	2.75
Piyush Goenka	-	4.00
Vineet Chandra Rai	3.50	3.50
Narasimha Kummamuri Murthy	6.50	-
Sri Radha Ramana Saripalli	2.00	-
Anurag Agrawal	3.75	4.50

(*) The above amounts are excluding taxes

Note:

- All transactions with the related parties are priced on an arm's length basis and at normal commercial terms.
- There are no transaction during the year with relatives (as defined in clause 77 of section 2 of Company's Act, 2013) of related parties.
- There are no transaction during the year with entities where the relative are directors.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 48: Related party disclosure (cont'd)

C. Employee benefits for key management personnel

Name of party with nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
Short-term employee benefits (including remunerations)	806.24	715.76
Post-employment benefits	65.29	64.65

D. Outstanding balances with related parties:

Name of the party with nature of balances	As at March 31, 2026	As at March 31, 2025
Payable to Directors (*)		
Dinesh Kumar Mittal	50.00	50.00
Rajat Mohan Nag	-	21.00
Rupa Rujal Vora	20.00	20.00
Vineet Chandra Rai	62.50	52.42
Anurag Agrawal	20.00	16.77
John Arun kumar Diaz	30.00	30.00
Jose Joseph Kattoor	30.00	15.00
Ulhas Sharadkumar Deshpande	25.00	25.00
Narasimha Kummamuri Murthy	30.00	-

(*) The above amounts are excluding taxes

(**) The remuneration paid/ payable by the Company to its other directors during the current year is ₹383.00 lakhs (March 31, 2025: ₹359.00 lakhs). The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is ₹170.57 lakhs (March 31, 2025: ₹145.08 lakhs). The excess remuneration is primarily attributable to the value of commission payable to the other directors for the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act. As per management's assessment, the approval from shareholders for excess remuneration is probable.

Additional disclosures for transaction with entities having common director

Description of relationship	Name
Transaction with Entities having common director	Shivalik Small Finance Bank
	Aavishkaar Venture Management Services Private Limited
	Ashv Finance Limited
	Aavishkaar Foundation



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 48: Related party disclosure (cont'd)

Name of party with nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
Business support fees		
Aavishkaar Venture Management Services Private Limited	78.04	80.96
Ashv Finance Limited	-	0.93
Loan repaid (Including interest)		
Shivalik Small Finance Bank	-	421.45
Fixed deposit created (principal)		
Shivalik Small Finance Bank	-	316.05
Fixed deposit matured		
Shivalik Small Finance Bank	-	599.20
Interest on fixed deposit (net of taxes including accrued interest)		
Shivalik Small Finance Bank	-	33.31
Corporate social responsibility		
Aavishkaar Foundation (#)	304.00	364.89
(#) Includes CSR contribution by Arohan employees of nil (March 31, 2025: ₹52.89 Lakhs) (refer note 59).		
Consideration received against assignment transactions		
Shivalik Small Finance Bank	-	1.84
Principal and interest paid towards assignment transactions		
Shivalik Small Finance Bank	4.81	160.47
Assignor's share received on account assignment transactions		
Shivalik Small Finance Bank	1.88	32.22
Paid towards securitisation transaction		
Shivalik Small Finance Bank	-	1,422.72

Note:

- All transactions with the related parties are priced on an arm's length basis and at normal commercial terms.
- There are no transaction during the year with relatives (as defined in clause 77 of section 2 of Company's Act, 2013) of related parties.
- There are no transaction during the year with entities where the relative are directors.

Name of the party with nature of balances	Year ended March 31, 2026	Year ended March 31, 2025
Receivable on assigned loans		
Shivalik Small Finance Bank	0.38	0.10
Payable towards assignment transactions (*)		
Shivalik Small Finance Bank	1.79	0.70

(*) includes both principal and interest

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Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

i) Capital to risk asset ratio (CRAR)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital to risk weighted assets ratio (CRAR) (%)	27.61%	34.09%
CRAR - Tier I Capital (%)	27.11%	31.82%
CRAR - Tier II Capital (%)	0.50%	2.27%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

ii) Investments

Particulars	As at March 31, 2026	As at March 31, 2025
A. Value of Investments		
Gross value of investments:		
a) In India	55,977.40	39,739.60
b) Outside India	-	-
Provisions for depreciation:		
a) In India	2,406.77	3,405.00
b) Outside India	-	-
Net Value of investments:		
a) In India	53,570.63	36,334.60
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments		
Opening balance	3,405.00	2,000.00
Add: Provisions made during the year	-	1,405.00
Less: Write-off /write-back of excess provisions during the year	998.23	-
Closing balance	2,406.77	3,405.00

iii) Derivatives

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



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

iv) Disclosures relating to securitisation

A) Securitisation

Particulars	As at March 31, 2026	As at March 31, 2025
1) Number of SPEs holding assets for securitisation transactions originated by the originator.	9	2
2) Total amount of securitised assets as per books of the SPEs. (*)	49,002.12	935.18
3) Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet.		
A) Off-balance sheet exposures		
(i) First loss	-	-
(ii) Others	-	-
B) On-balance sheet exposures	19,040.85	3,278.76
(a) First loss in the form of:	17,190.15	3,278.76
(i) Fixed deposits	6,136.94	1,228.53
(ii) Over collateral	11,053.21	2,050.23
(b) Others	1,850.70	-
4) Amount of exposures to securitisation transactions other than MRR.		
a) Off-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
(ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
5. Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation.(#)	95,155.75	19,614.28
6. Outstanding value of services provided by way of, liquidity support, post-securitisation asset servicing, etc.(*).	49,002.12	935.18
7. Performance of facility provided viz. credit enhancement, liquidity support, servicing agent etc.		
Credit enhancement:		
(a) Amount paid	19,040.85 (17.93%)	4,035.90 (18.00%)
(b) Repayment received	Nil (0%)	757.14 (3.38%)
(c) Outstanding amount	19,040.85 (17.93%)	3,278.76 (14.62%)
Servicing agent:		
(a) Amount paid	13.00	2.00
(b) Repayment received	-	-
(c) Outstanding amount	-	-
8. Average default rate of portfolios observed in the past in respect of microfinance loans.	-	-
9. Amount and number of additional/ top up loan given on same underlying asset.	-	-
10. Investor complaints:		
(a) Directly/ Indirectly received and;	-	-
(b) Complaints outstanding	-	-

(*) The total amount of securitised assets includes over collateral of ₹11,053.21 lakhs (March 31, 2025: ₹2,050.23 lakhs)

(#) There are no gain/ loss on account of securitisation.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

B) Details of financial assets sold to securitisation/ reconstruction company for asset reconstruction

Refer point number D below on details of non-performing financial assets purchased/ sold

C) Details of assignment transactions undertaken by the Company

Details of loans transferred / acquired during the quarter ended March 31, 2026 vide RBI circular RBI/DOR/202526/359 DOR.ACC.REC.No.278/21.04.018/2025-26 on Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 dated November 28, 2025:

(i) Details of loan transfer through direct assignment transaction in respect of loans not in default to banks:

Particulars	As at March 31, 2026	As at March 31, 2025
Number of loans	95,531	66,712
Aggregate amount of loans transferred (₹ in lakhs)	31,653.70	14,950.79
Sale consideration (₹ in lakhs)	31,653.70	14,950.79
Weighted average residual maturity (<i>in months</i>) (*)	18.11	14.46
Weighted average holding period by the originator (<i>in months</i>)	6.93	8.82
Retention of beneficial economic interest by the originator	10.06% to 14.48%	13.20% to 15.45%
Tangible security coverage	Not Applicable	Not Applicable
Rating-wise distribution of rated loans	Not Applicable	Not Applicable
Number of instances where it has agreed to replace loans transferred to transferee(s)	Not Applicable	Not Applicable
Number of instances where it has agreed to pay damages arising out of any representation or warranty	Not Applicable	Not Applicable

(*) residual maturity from the time of transfer

(ii) The Company has not acquired any stressed loans during the year ended March 31, 2026 (March 31, 2025: nil).

(iii) The Company has acquired loans not in default during the year ended March 31, 2026 from NBFC's.

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate principal outstanding of loans acquired	49,154.79	17,616.41
Aggregate consideration paid	49,154.79	17,616.41
Weighted average residual tenor of loans acquired (<i>in months</i>)	9.65	15.59

D) Details of non-performing financial assets purchased/ sold

a. The Company has not purchased any non-performing financial assets during the current and previous financial year.

b. The Company has not transferred/ sold any non-performing financial assets during the current and previous financial year.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

D) Details of non-performing financial assets purchased/ sold (cont'd)

c. Security Receipt's (SR's) held and recovery ratings assigned to such SR's by the credit rating agency (Refer note 8).

Particulars	As at March 31, 2026		As at March 31, 2025	
	Category of recovery ratings	Gross outstanding (₹ in Lakhs)	Category of recovery ratings	Gross outstanding (₹ in Lakhs)
Security Receipts under trust floated by ARC (FY 23-16)	IND RR4 (25%-50%)	944.00	IND RR3 (50%-75%)	2,704.00
Security Receipts under trust floated by ARC (FY 23-36)	IND RR4 (25%-50%)	1,909.42	IND RR3 (50%-75%)	2,577.20

Note: The Company has not transferred any stressed loans to Asset Reconstruction Companies ('ARCs') during the year ended March 31, 2026. The Company had sold loans to an ARC in previous financial years and Security Receipts ('SRs') were received as considerations for the transfer of loans. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement /classification approach and expected credit loss (ECL) has been recognized in a similar manner as applicable to the underlying loans.

The security receipt Phoenix Trust-FY23-36 rating downgraded to "IND RR4" from "IND RR3" on a recovery rating scale issued by India Ratings & Research with report dated February 25, 2026 and for Phoenix Trust-FY23-16 which is also downgraded to "IND RR4" from "IND RR3" with report dated February 25, 2026 (March 31, 2025: The security receipts are rated "IND RR3" on a recovery rating scale issued by India Ratings & Research with report dated February 24, 2025).

E) Details of Credit Default Swaps - Nil

v) Asset Liability Management

Disclosures relating to maturity pattern of certain items of assets and liabilities are given in *note 54*.

vi) Exposures

A) Exposure to real estate sector

The Company did not have any exposure to real estate sector during the current and previous year.

B) Exposure to capital market

The Company did not have any exposure to capital market during the current and previous year.

C) Details of financing of parent company products

The Company does not have a parent company and accordingly disclosures is not required.

D) Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

E) Unsecured advances - Refer note 7.

vii) Miscellaneous

A) Registration obtained from other financial sector regulators

The Company has obtained a certificate of registration under registration number CA0891 dated January 04, 2024 to act as Corporate Agent (Composite) under Insurance Regulatory and Development Authority of India (IRDA) and having Corporate Identity Number of U74140WB1991PLC053189 under Ministry of Corporate affairs.

B) Disclosure of penalties imposed by RBI and other regulators

No penalties (March 31, 2025: nil) has been paid to Reserve Bank of India.

C) Disclosure of intra-group exposures

The Company has no intra-group exposures for the current and previous year.

D) Disclosure of unhedged foreign currency exposure

The Company has no unhedged foreign currency exposure for the current and previous year.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025 (cont'd).

vii) Miscellaneous (cont'd)

E) Related party transactions

For financial year 2025-26

Related Party/ items	Key Management Personnel	Directors Other than KMP (**)	Entities exercising significant influence over the Company	Entities under common director	Others	Total	Outstanding balance as on March 31, 2026	Maximum during the year
Borrowings (#)	-	-	-	-	-	-	-	-
Repayment of borrowings (*)	-	-	-	-	-	-	-	-
Loan processing fees	-	-	-	-	-	-	-	-
Placement of deposits (#) (*)	-	-	-	-	-	-	-	-
Deposits matured (*)	-	-	-	-	-	-	-	-
Advances (#)	-	-	-	-	-	-	-	-
Investments (#)	-	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Remuneration (*)	806.24	383.00	-	-	-	1,189.24	(267.50)	-
Consideration received against assignment transactions	-	-	-	-	-	-	0.38	-
Principal and interest paid towards assignment transactions (*)	-	-	-	4.81	-	4.81	(1.79)	-
Borrowed towards securitisation transaction (*)	-	-	-	-	-	-	-	-
Amount paid towards securitisation transaction (*)	-	-	-	-	-	-	-	-
Remittance from business transfer agreement	-	-	-	-	-	-	-	-
Corporate social responsibility (*)	-	-	-	-	-	-	-	-
Others	-	43.25	-	304.00	-	304.00	-	-
	-	-	-	79.92	-	123.17	-	-

(*) Represents material items separately disclosed in pursuant to the guidelines.

(**) Directors other than KMP includes director commission and sitting fees (excluding taxes) payable/ paid to both Independent & Nominee Directors.

(#) The outstanding amount at the end of the year and the maximum amount are disclosed.



(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025 (cont'd).

vii) Miscellaneous (cont'd)

E) Related party transactions (cont'd)

For financial year 2024-25

Related Party/ Items	Key Management Personnel	Directors Other than KMP (**)	Entities exercising significant influence over the Company	Entities under common director	Others	Total	Outstanding balance as on March 31, 2025	Maximum during the year
Borrowings (#)	-	-	-	-	-	-	-	421.45
Repayment of borrowings (*)	-	-	-	421.45	-	421.45	-	-
Loan processing fees	-	-	-	-	-	-	-	-
Placement of deposits (#) (*)	-	-	-	316.05	-	316.05	-	599.20
Deposits matured (*)	-	-	-	599.20	-	599.20	-	-
Advances (#)	-	-	-	-	-	-	-	-
Investments (#)	-	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	33.31	-	33.31	-	-
Remuneration (*)	715.76	359.00	-	-	-	1,074.76	(230.19)	-
Consideration received against assignment transactions	-	-	-	1.84	-	1.84	0.10	-
Principal and interest paid towards assignment transactions (*)	-	-	-	160.47	-	160.47	(0.70)	-
Borrowed towards securitisation transaction (*)	-	-	-	-	-	-	-	-
Amount paid towards securitisation transaction (*)	-	-	-	1,422.72	-	1,422.72	-	-
Remittance from business transfer agreement	-	-	-	-	-	-	-	-
Corporate social responsibility (*)	-	-	-	364.89	-	364.89	-	-
Others	-	48.00	-	114.11	-	162.11	-	-

(*) Represents material items separately disclosed in pursuant to the guidelines.

(**) Directors other than KMP includes director commission and sitting fees (excluding taxes) payable/ paid to both Independent & Nominee Directors.

(#) The outstanding amount at the end of the year and the maximum amount are disclosed.

Note:

1. All transactions with the related parties are priced on an arm's length basis and at normal commercial terms.
2. There are no transaction during the year with relatives (as defined in clause 77 of section 2 of Companies Act, 2013) of related parties.
3. There are no transaction during the year with entities where the relative are directors.
4. For details refer note 48 on related party disclosure.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

vii) Miscellaneous (cont'd)

F) Ratings assigned by credit rating agencies and migration of ratings during the year

The details of ratings assigned by Credit Analysis & Research Limited (CARE) dated February 06, 2026 and ICRA Limited vide report dated March 03, 2026 and March 30, 2026 during the year are as follows:

Facilities	Ratings	Remarks
Long-term bank facilities	ICRA A (Stable outlook)	Reaffirmed
Non-Convertible Debentures/ Unsecured Subordinated Tier II Debt	CARE A- (Stable outlook)/ ICRA A (Stable outlook)	Reaffirmed

G) Remuneration including sitting fees of Directors (other than Managing Director) (Refer note 48)

Name of Directors	As at March 31, 2026	As at March 31, 2025
A. Director's commission (*) (**)		
Dinesh Kumar Mittal	50.00	50.00
Rajat Mohan Nag	-	21.00
Rupa Rajul Vora	20.00	20.00
Vineet Chandra Rai	150.00	150.00
Anurag Agrawal	48.00	48.00
John Arun kumar Diaz	30.00	30.00
Jose Joseph Kattoor	30.00	15.00
Ulhas Sharadkumar Deshpande	25.00	25.00
Narasimha Kummamuri Murthy	30.00	-
B. Sitting fees (*)		
Dinesh Kumar Mittal	5.00	6.75
Rajat Mohan Nag	-	6.25
Ulhas Sharadkumar Deshpande	5.50	6.00
John Arun Kumar Diaz	8.50	9.75
Rupa Rajul Vora	3.25	4.00
Vemuru Chandramouli	-	0.50
Josh Joseph Kattoor	5.25	2.75
Piyush Goenka	-	4.00
Vineet Chandra Rai	3.50	3.50
Narasimha Kummamuri Murthy	6.50	-
Sri Radha Ramana Saripalli	2.00	-
Anurag Agrawal	3.75	4.50

(*) The above amounts are excluding taxes

(**) The remuneration paid/ payable by the Company to its other directors during the current year is ₹383.00 lakhs (March 31, 2025: ₹359.00 lakhs). The limit on such remuneration prescribed under Section 197 read with Schedule V to the Companies Act, 2013 ("the Act") is ₹170.57 lakhs (March 31, 2025: ₹145.08 lakhs). The excess remuneration is primarily attributable to the value of commission payable to the other directors for the current year. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same by way of special resolution in accordance with the requirements of the Act. As per management's assessment, the approval from shareholders for excess remuneration is probable.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

viii) Additional Disclosures

A) Provisions and Contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss	As at March 31, 2026	As at March 31, 2025
Provision towards standard assets	2,059.77	3,181.27
Provision towards non performing assets (*)	(6,449.64)	2,228.67
Provision towards investments	(998.23)	1,405.00
Provision made towards Income tax (including for earlier years and deferred tax)	4,107.82	2,839.92
Other provisions and contingencies (employee benefits)	370.50	1,209.06

(*) Does not include provision on accrued NPA interest as the same is netted off in income.

B) Draw Down from Reserves

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

C) Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
a) Concentration of Advances		
Total Advances to twenty largest borrowers	57,659.97	32,365.90
Percentage of advances to twenty largest borrowers to total advances	7.94%	5.41%
b) Concentration of Exposures		
Total exposure to twenty largest borrowers/ customers	58,659.97	32,565.90
Percentage of exposures to twenty largest borrowers/ customers to total exposure	8.08%	5.44%
c) Concentration of NPAs		
Total exposure to top four NPA accounts	8.41	36.45

D) Sectoral exposure

Sectors	As at March 31, 2026			As at March 31, 2025		
	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services:						
i. Secured term loan	62,704.30	-	0.00%	35,288.19	32.51	0.09%
Total of services	62,704.30	-	0.00%	35,288.19	32.51	0.09%
4. Personal loans:						
i. Retail loans	1,02,970.63	383.30	0.37%	13,684.22	63.73	0.47%
ii. Others	-	-	-	-	-	-
Total of personal loans (i+ii)	1,02,970.63	383.30	0.37%	13,684.22	63.73	0.47%
5. Others (Microfinance loan)	5,52,791.55	7,707.06	1.39%	5,44,457.54	16,833.42	3.09%
Total	7,18,466.48	8,090.36	1.13%	5,93,429.95	16,929.66	2.85%

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

viii) Additional Disclosures (cont'd)

E) Sector-wise NPAs - Percentage of NPAs to total advances in that sector

Particulars	As at March 31, 2026	As at March 31, 2025
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers (*)	Nil	Nil
Services	0.00%	0.09%
Unsecured personal loans	0.37%	0.47%
Microfinance Loan	1.39%	3.09%
Auto loans	Nil	Nil
Other personal loans	Nil	Nil

(*) Corporate borrowers are included in the respective sector.

F) Movement of NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
i) Net NPAs to net advances (%)	0.21%	0.53%
ii) Movement of gross NPA's		
a) Opening balance	16,929.66	11,362.25
b) Additions during the year	33,075.08	50,090.94
c) Reductions during the year	(41,914.38)	(44,523.53)
d) Closing balance	8,090.36	16,929.66
iii) Movement of net NPA's		
a) Opening balance	3,098.51	-
b) Additions during the year	4,807.60	7,781.52
c) Reductions during the year	(6,391.52)	(4,683.01)
d) Closing balance	1,514.59	3,098.51
iv) Movement of provisions for NPA's (excluding provisions on standard assets)		
a) Opening balance	13,831.15	11,362.25
b) Provisions made during the year	28,267.48	42,309.42
c) Write-off/ write-back of excess provision	(35,522.86)	(39,840.52)
d) Closing balance	6,575.77	13,831.15

G) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

H) Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

ix) Disclosure of customer complaints

Particulars	As at March 31, 2026	As at March 31, 2025
a) Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	22	28
2. Number of complaints received during the year	5,171	2,205
3. Number of complaints disposed during the year	5,082	2,211
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	111	22
b) Maintainable complaints received by the NBFC from office of ombudsman		
5. Number of maintainable complaints received by the NBFC from office of ombudsman	53	29
5.1 Of 5, number of complaints resolved in favour of the NBFC by office of ombudsman	48	29
5.2 Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by office of ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of awards by office of ombudsman against the NBFC	-	-
6. Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

c) Grounds of complaints

Particulars	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
Year ended March 31, 2026					
Non-observance of fair practices code	2	536	358.12%	52	20
Loans and advances	12	1,338	48.67%	9	-
Staff behaviour	1	370	49.80%	4	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	34	21.43%	2	1
Mis-selling	-	3	100%	1	-
Others	7	2,890	216.54%	43	3
	22	5,171		111	24
Year ended March 31, 2025					
Non-observance of fair practices code	16	117	(69.53%)	2	-
Loans and advances	4	900	122.22%	12	-
Staff behaviour	1	247	22.28%	1	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	28	21.74%	-	-
Mis-selling	-	-	-	-	-
Others	7	913	(34.03%)	7	-
	28	2,205		22	-

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

x) Information on instances of fraud identified during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Nature of fraud		
A. Cash embezzlement		
No. of cases	2,502	2,526
Amount of fraud	345.20	395.83
Recovery	123.09	68.28
Amount provided for	222.11	327.55
B. Loans given against fictitious documents		
No. of cases	128	90
Amount of fraud	67.11	134.15
Recovery	29.49	6.46
Amount provided for	37.62	127.69
C. Others (Snatching etc.)		
No. of cases	21	52
Amount of fraud	8.70	38.31
Recovery	3.30	13.34
Amount provided for	5.40	24.97

Liabilities side:

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid (*):

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures				
Secured	16,066.90	-	21,428.42	-
Unsecured	22,501.51	-	32,519.27	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	-	-	-	-
Secured	5,03,371.40	-	4,09,119.31	-
Unsecured	2,523.72	-	7,581.05	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Other loans (working capital loan and securitisation liability from banks and AMC)	47,247.60	-	937.00	-

(*) The above figure excludes adjustments of loan processing charges



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

Liabilities side (cont'd)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(C) Other public deposits	-	-	-	-

Assets side :

(3) Break up of loans and advances:

Particulars	As at March 31, 2026	As at March 31, 2025
a) Secured, gross	62,704.30	35,288.19
b) Unsecured, gross	6,55,762.18	5,58,141.76
Total	7,18,466.48	5,93,429.95

Note: Figures of loans and advances also includes accrued interest, unamortised loan processing fees, unamortised acquisition costs and are based on Ind AS numbers.

(4) Break up of leased assets

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Lease assets including lease rentals under sundry debtors:		
(a) Finance lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed asset	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

Assets side (cont'd)

(5) Breakup of investments

Particulars	As at March 31, 2026	As at March 31, 2025
Current Investments :		
1. Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	20,715.64	-
(iv) Government Securities	26,178.35	-
(v) Others (treasury bills)	-	14,902.29
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term investments :		
1. Quoted		
(i) Shares :	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	6,229.99	19,551.11
(v) Others (treasury bills)	-	-
2. Unquoted		
(i) Shares:		
(a) Equity	-	5.00
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Security Receipts)	2,853.42	5,281.20



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 49: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

Assets side (cont'd)

(6) Borrower group-wise classification of assets financed as in (2) and (3)

Particulars	Net of provision as at March 31, 2026		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	61,263.33	6,39,435.39	7,00,698.72
Total	61,263.33	6,39,435.39	7,00,698.72

Particulars	Net of provision as at March 31, 2025		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	34,955.94	5,35,554.90	5,70,510.84
Total	34,955.94	5,35,554.90	5,70,510.84

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Market value / Breakup or fair value or NAV	Book value (net of provisions)	Market value / Breakup or fair value or NAV	Book value (net of provisions)
Category				
1. Related parties	-	-	-	-
2. Other than related parties	56,186.66	53,570.63	39,235.85	36,334.60
Total	56,186.66	53,570.63	39,235.85	36,334.60

(8) Other information

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	8,090.36	16,929.66
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	1,514.59	3,098.51
(iii) Assets acquired on satisfaction of debt	-	-

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 50: Disclosures on restructured assets pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

SL. No.	Type of Restructuring	Asset Classification Details	As on March 31, 2026					As on March 31, 2025				
			Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured accounts at the beginning of the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts at the end of the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 51: Disclosures on difference between Ind AS 109 provisions and IRACP norms pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

As on March 31, 2026

Asset Classification as per RBI Norms

Particulars	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS (**)	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E=C-D)	(F)	(G=D-F)
Performing assets						
Standard	Stage 1	7,07,164.19	9,459.19	6,97,705.00	2,608.94	6,850.25
	Stage 2	3,211.93	1,732.80	1,479.13	637.85	1,094.95
Subtotal (A)		7,10,376.12	11,191.99	6,99,184.13	3,246.79	7,945.20
Non performing assets (NPA)						
Substandard	Stage 1 (*)	28.78	5.69	23.09	-	-
	Stage 2 (*)	349.38	149.84	199.54	-	-
	Stage 3	7,060.63	5,768.67	1,291.96	4,709.14	1,215.06
Stage 3: Doubtful - up to 1 year	Stage 3: Doubtful - up to 1 year	484.46	484.46	-	344.12	140.34
Stage 3: 1 to 3 years	Stage 3: 1 to 3 years	167.11	167.11	-	102.23	64.88
Stage 3: More than 3 years	Stage 3: More than 3 years	-	-	-	-	-
Subtotal (B)		8,090.36	6,575.77	1,514.59	5,155.49	1,420.28
Total (A+B)	Stage 1	7,07,192.97	9,464.88	6,97,728.09	2,608.94	6,855.94
	Stage 2	3,561.31	1,882.64	1,678.67	637.85	1,244.79
	Stage 3	7,712.20	6,420.24	1,291.96	5,155.49	1,264.75
	Total	7,18,466.48	17,767.76	7,00,698.72	8,402.28	9,365.48

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 51: Disclosures on difference between Ind AS 109 provisions and IRACP norms pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

As on March 31, 2025

Asset Classification as per RBI Norms

Particulars	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS (**)	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms (*)	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	(E=C-D)	(F)	(G=D-F)
Performing assets						
Standard	Stage 1	5,65,698.96	5,604.99	5,60,093.97	2,247.93	3,357.06
	Stage 2	10,801.33	3,482.97	7,318.36	40.69	3,442.28
Subtotal (A)		5,76,500.29	9,087.96	5,67,412.33	2,288.62	6,799.34
Non performing assets (NPA)						
Substandard	Stage 1 (*)	74.10	5.11	68.99	-	-
	Stage 2 (*)	442.68	134.36	308.32	-	-
	Stage 3	15,842.62	13,121.42	2,721.20	5,235.14	8,025.75
Stage 3: Doubtful - up to 1 year	Stage 3: Doubtful - up to 1 year	448.72	448.72	-	107.10	341.62
Stage 3: 1 to 3 years	Stage 3: 1 to 3 years	70.57	70.57	-	46.57	24.00
Stage 3: More than 3 years	Stage 3: More than 3 years	50.97	50.97	-	26.86	24.11
Subtotal (B)		16,929.66	13,831.15	3,098.51	5,415.67	8,415.48
Total (A+B)	Stage 1	5,65,773.06	5,610.10	5,60,162.96	2,247.93	3,362.17
	Stage 2	11,244.01	3,617.33	7,626.68	40.69	3,576.64
	Stage 3	16,412.88	13,691.68	2,721.20	5,415.67	8,276.01
	Total	5,93,429.95	22,919.11	5,70,510.84	7,704.29	15,214.82

(*) The gross carrying amount of stage 1 and 2 in non performing assets section are classified in respective stages as per Ind AS.

(**) Gross carrying amount as per Ind AS represents gross carrying amount, accrued interest, loan processing fees and securitised assets.

Note: Sub-total(B) of gross carrying amount as per Ind AS represents stage - III of ₹7,712.20 lakhs (March 31, 2025: ₹16,412.88 lakhs) and Sub-total(B) of net carrying amount represents stage - III of ₹6,420.24 lakhs (March 31, 2025: ₹13,691.68 Lakhs).



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 52: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

(a) 1) Composition of the Board and change in composition of the Board during the financial year

Requirements	Response
NBFCs shall put up to the Board of Directors, at regular intervals, conformity with corporate governance standards, viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.	NBFCs has put up to the Board of Directors, at regular intervals, conformity with corporate governance standards, viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

2) Details of non-compliance with requirements of Companies Act, 2013:

There are no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

3) Details of penalties and strictures:

As on March 31, 2026: There are no penalties and strictures imposed/ levied by any Statutory body to the Company.

As on March 31, 2025: The Reserve Bank of India (RBI), exercising its authority under section 45L(1)(b) of the Reserve Bank of India Act, 1934, issued an order on October 17, 2024, directing the company to cease and desist from sanctioning or disbursing loans, effective from the close of business on October 21, 2024. However, these business restrictions did not prevent the company from servicing its existing customers or conducting collection and recovery processes in accordance with the regulatory Order. The Company initiated all necessary remedial action and submitted its various compliances to RBI and having been satisfied based on the submissions and in view of the adoption of revamped processes, systems and commitment to ensure adherence to the Regulatory Guidelines on an ongoing basis the order was vacated on January 03, 2025 with immediate effect.

(b) There are no modified opinion expressed by the auditors.

(c) There are no items of income and expenditure of exceptional nature.

(d) Breach of covenant:

There are no breach of covenant for debt securities, borrowings (other than debt securities) and subordinated liabilities as on as on March 31, 2026.

The details of Breach of covenant as on March 31, 2025 are as follows:

(i) Debt securities

Lender	Debenture trust deed date	Description of financial covenants	Limit required	Actual
Northern Arc Capital Limited	March 28, 2018 & August 14, 2018"	PAR 90 as a percentage of gross loan portfolio (*) (**)	Not exceeding 2.00%	2.73%
		Positive net profit after tax maintained on quarterly basis (***)	Positive profit after tax	(4,250.90)

(*) However the Company has obtained a financial covenant relaxation on maintaining portfolio overdue for more than 30 percentage threshold permanently.

(**) Gross loan portfolio overdue for more than 90 days as a percentage of gross loan portfolio as on March 31, 2025

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 52: Disclosures pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

(d) Breach of covenant: (cont'd)

(***) Due to the cease and desist order issued on issued an order on October 17, 2024 by the Reserve Bank of India ('RBI'), the Company was unable to disburse new loans from October 22, 2024, until January 3, 2025. This restriction led to a reduction in the company's outstanding portfolio. Additionally, the company experienced a slight increase in delinquency levels during half year ended March 31, 2025, primarily driven by a deterioration in the overall quality of the microfinance industry's portfolio. As a result, the company had to consider additional provision and write offs due to which there is net loss during the quarter ended March 31, 2025. However, there is a cure period of 60 days from the date of breach.

(ii) Borrowings (other than debt securities)

Lender	Sanction date	Description of financial covenants	Limit required	Actual
1. Indusind Bank (*)	December 12, 2023	PAR 31-90 as a percentage of gross loan portfolio (refer note 1 & 4).	less than equal 1.50%	1.85%
2. Northern Arc	June 01, 2023	(PAR 90 + net write-off of 12 months)/ Gross loan portfolio (refer note 2 & 4).	less than 5.00%	8.59%
3. Bank of Baroda	September 02, 2024	Return on equity (refer note 3 & 4).	Greater than 10%	6.17%

(*) However the Company has obtained a financial covenant relaxation on maintaining portfolio overdue for more than 30 days percentage till March 31, 2025.

Note:

- Portfolio overdue for more than 30 days but less than 90 days as a percentage of gross loan portfolio as on March 31, 2025.
- Aggregate of gross loan portfolio overdue for more than 90 days and net write-off of 12 months as a percentage of gross loan portfolio as on March 31, 2025.
- Return on equity is computed on profit after tax as a percentage on two point yearly average networth (equity share capital and other equity excluding statutory reserves and esop outstanding).
- Gross loan portfolio represents assets under management (AUM)

(e) Divergence in asset classification and provisioning

There has been no instance of additional provisioning requirement assessed by Reserve Bank of India (RBI) exceeding five percent of the reported profit before tax and impairment loss on financial instruments, neither there has been any instance of additional gross NPAs identified by RBI exceeding five percent of the reported gross NPAs for the previous financial year.

Note 53: Disclosures on loans to Directors, senior officers and relatives of Directors pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Directors and their relatives	Nil	Nil
Entities associated with directors and their relatives	Nil	Nil
Senior officers and their relatives (*)	27.00	1.85

(*) The loan to the senior officer is as per the staff loan policy of the Company



The company has adopted the liquidity risk framework as required under RBI regulation. The Board of Directors have delegated responsibility of balance sheet liquidity risk management to the asset liability committee (ALCO). ALCO reviews asset liability mismatches (ALM) and ensures that there are no excessive concentration of either assets or liability side of the balance sheet. Liquidity risk is managed in accordance with ALM policy. The same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements of the company.

Maturity pattern of assets and liability as on March 31, 2026

Particulars	1 to 7 days	8 to 14 days	15 to 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 years	Total
Deposits (with banks)	5,492.86	5,856.84	20,515.12	1,772.92	740.96	802.93	8,930.27	4,230.76	234.03	29.88	48,606.57
Advances (Micro Finance Portfolio)	9,542.60	15,268.17	13,359.65	30,912.01	30,752.71	86,040.88	1,55,773.72	1,95,679.19	1,407.93	-	5,38,736.86
Advances (Other than Micro Finance)	3,109.61	5,123.96	4,483.46	11,526.98	11,316.35	30,913.68	48,541.97	46,838.77	107.08	-	1,61,961.86
Investments	20,715.64	10,300.80	6,188.64	-	-	4,040.85	5,648.06	6,676.64	-	-	53,570.63
Borrowings (*)	3,604.80	5,499.54	22,175.34	29,792.70	38,985.89	92,884.80	1,59,512.60	2,37,173.31	333.34	-	5,89,962.32
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

(*) Borrowing includes debt securities, borrowings (other than debt securities) and subordinated liabilities.

Maturity pattern of assets and liability as on March 31, 2025

Particulars	1 to 7 days	8 to 14 days	15 to 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 years	Total
Deposits (with banks)	5,348.32	11,271.87	20,828.34	398.02	153.36	2,895.98	7,936.56	7,305.62	218.33	27.65	56,384.05
Advances (Micro Finance Portfolio)	11,544.43	18,471.10	16,162.21	36,508.66	35,723.25	1,00,010.60	1,62,972.42	1,38,140.81	3,090.21	-	5,22,623.69
Advances (Other than Micro Finance)	856.57	1,370.51	1,199.20	3,221.68	3,219.48	9,349.52	15,147.66	13,514.22	8.31	-	47,887.15
Investments	-	-	-	14,902.29	-	3,046.40	-	17,408.70	977.21	-	36,334.60
Borrowings (*)	6,712.52	5,994.28	25,386.34	26,228.67	35,453.21	84,344.30	1,21,042.25	1,65,178.80	-	-	4,70,340.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

(*) Borrowing includes debt securities, borrowings (other than debt securities) and subordinated liabilities.

Notes:

1. The above information has been considered as per the Asset Liability Management (ALM) Report compiled by the management and reviewed by the ALM Committee.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 55: Disclosures related to significant counterparty pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

(i) Funding concentration based on significant counterparty on borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Number of significant counterparties	27	22
Amount of borrowed funds from significant counterparties (#) [refer (i) below]	5,58,954.05	4,26,757.98
Percentage (%) of total deposits	Not applicable	Not applicable
Percentage (%) of total liabilities [refer (ii) below]	92.20%	87.81%

(#) Accrued interest on borrowings have been considered in above calculation.

Notes:

- i) A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI’s, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- ii) Total liabilities have been computed as total assets less equity share capital less other equity and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ lakhs and % of total deposits)

The Company does not accept deposit hence not applicable.

(iii) Top ten borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Amount of borrowed funds from top ten significant counterparties ⁽¹⁾	3,56,992.43	2,90,550.93
Percentage (%) of total borrowings ⁽²⁾	60.47%	61.77%

Note:

- (1) Accrued interest on borrowings have not been considered in above calculation.
- (2) Total borrowing has been computed as gross total debt basis extant regulatory ALM guidelines which includes securitisation transactions.

(iv) Funding concentration based on significant instrument/ product

Name of the instrument/ product	As at 31 March 2026		As at 31 March 2025	
	Amount (**)	Percentage of total liabilities	Amount (**)	Percentage of total liabilities
Debt securities	15,600.00	2.57%	20,800.00	4.28%
Borrowings (other than debt securities)	5,49,795.52	90.69%	4,09,584.14	84.27%
Subordinated liabilities	25,000.00	4.12%	40,000.00	8.23%

Note:

- (i) A “significant instrument/ product” is defined as a single instrument/ product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI’s, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- (ii) Total liabilities have been computed as total assets less equity share capital less other equity and computed basis extant regulatory ALM guidelines.

(**) Figures are based on gross borrowing outstanding and does not includes accrued interest and other Ind AS adjustments.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 55: Disclosures related to significant counterparty pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

(v) Stock ratios in percentage

Particulars	As at March 31, 2026	As at March 31, 2025
1. Commercial papers as a percentage (%) of total liabilities (*)	Not Applicable	Not Applicable
2. Commercial papers as a percentage (%) of total assets (*)	Not Applicable	Not Applicable
3. Commercial papers as a percentage (%) of public fund (*)	Not Applicable	Not Applicable
4. Non-convertible debentures (original maturity of less than one year) as a percentage (%) of total liabilities (**)	Nil	Nil
5. Non-convertible debentures (original maturity of less than one year) as a percentage (%) of total assets (**)	Nil	Nil
6. Non-convertible debentures (original maturity of less than one year) as a percentage (%) of public fund (***)	Not Applicable	Not Applicable
7. Other short-term liabilities as a percentage (%) of total liabilities	61.11%	52.87%
8. Other short-term liabilities as a percentage (%) of total assets	45.07%	37.32%
9. Other short-term liabilities as a percentage (%) of public fund	62.79%	54.64%

(*) The Company does not have debts in commercial papers.

(**) The Company does not have any non-convertible debentures with original maturity of less than one year.

(***) The Company is registered as non-deposit taking NBFC (ND-NBFC).

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 56: Disclosures related to Liquidity Coverage Ratio (LCR) pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025.

Liquidity Coverage Ratio (LCR) is a tool for measuring and promoting short term resilience of the company to potential liquidity disruptions by ensuring maintenance of sufficient unencumbered high quality liquid assets (HQLA's) to survive at severe stress scenario lasting for 30 calendar days. Reserve Bank of India (RBI) introduced the LCR requirement for all non-deposit taking NBFC's with an asset size of ₹5,000 crore and above.

The ratio comprises of HQLA's as numerator and net cash outflows in next 30 calendar days as denominator.

HQLA computation consist of two parts i.e. (i) assets to be included as HQLA without any haircut i.e. cash, Government securities, etc. and (ii) assets to be considered for HQLA with haircuts (ranging 15% to 50%) which comprises of investments in highly rated non-financial corporate bonds and listed equity investments which are considered at prescribed haircuts.

In order to determine net cash outflows, the company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per regulations, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows or 75% of stressed outflow. accordingly, LCR would be computed by dividing company's stock of HQLA by its total net cash outflow.

The LCR requirement has been inducted in a phased manner with company required to maintain minimum LCR of 30% from December, 1, 2020 eventually increasing to 100% by December 31, 2024. the company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold for all the quarters during the current financial year. The company has maintained an average LCR of 116% for the quarter ended March 31, 2026 (for the quarter ended March 31, 2025: 127%) as against minimum regulatory requirement of 100% (March 31, 2025: 100%). the company has maintained average HQLA as of ₹37,595.67 lakhs for the quarter ended March 31, 2026 (for the quarter ended March 31, 2025: ₹36,248.47 lakhs).

The company has adopted the liquidity risk framework as required under RBI regulation. the Board of Directors have delegated responsibility of balance sheet Liquidity Risk management to the asset liability committee (ALCO). ALCO reviews asset liability mismatches (ALM) and ensures that there are no excessive concentration of either assets or liability side of the balance sheet. liquidity risk is managed in accordance with ALM policy. The same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements of the company.

Note 56: Disclosures related to Liquidity Coverage Ratio (LCR) pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

For financial year: 2025-2026

Sl No.	Particulars	As on June 30, 2025		As on September 30, 2025		As on December 31, 2025		As on March 31, 2026	
		Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)
	High Quality Liquid Assets (#)								
1	High quality liquid assets (HQLA)								
(i)	Cash and bank	5,480.14	5,480.14	5,761.30	5,761.30	4,161.51	4,161.51	6,439.06	6,439.06
(ii)	Government securities and treasury bills	26,219.23	26,219.23	23,779.29	23,779.29	27,112.50	27,112.50	31,156.61	31,156.61
	Total High Quality Liquid Assets (HQLA) (A)	31,699.37	31,699.37	29,540.59	29,540.59	31,274.01	31,274.01	37,595.67	37,595.67
	Cash Outflows:								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities	38,093.54	43,807.57	36,835.51	42,360.84	35,812.19	41,184.02	42,498.73	48,873.54
6	Other contractual funding obligations	4,389.45	5,047.87	4,390.73	5,049.34	4,389.13	5,047.50	4,524.44	5,203.11
7	Other contingent funding obligations	43,905.56	50,491.39	42,476.26	48,847.70	51,966.03	59,760.93	66,075.00	75,986.25
8	Total cash outflows (B)	86,388.55	99,346.83	83,702.50	96,257.88	92,167.35	1,05,992.45	1,13,098.17	1,30,062.90
	Cash Inflows:								
9	Secured lending	44,620.88	33,465.66	40,815.22	30,611.42	31,956.52	23,967.39	54,666.67	41,000.00
10	Inflows from fully performing exposures	49,976.61	37,482.46	50,341.50	37,756.13	53,063.56	39,797.67	66,880.41	50,160.31
11	Other cash inflows	48,778.25	36,583.69	61,160.51	45,870.38	49,482.36	37,111.77	57,091.68	42,818.76
12	Total cash inflows (C)	1,43,375.74	1,07,531.81	1,52,317.23	1,14,237.93	1,34,502.44	1,00,876.83	1,78,638.76	1,33,979.07
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total High Quality Liquid Assets (HQLA) (A)		31,699.37		29,540.59		31,274.01		37,595.67
14	Total net outflows (D=C-B)		24,836.71		24,064.47		26,498.11		32,515.73
15	Liquidity coverage ratio (%) (A/D)		128%		123%		118%		116%

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 56: Disclosures related to Liquidity Coverage Ratio (LCR) pursuant to the Reserve Bank of India Master direction circular RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025. (cont'd)

For financial year: 2024-2025

Sl No.	Particulars	As on June 30, 2024		As on September 30, 2024		As on December 31, 2024		As on March 31, 2025	
		Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)	Total Unweighted Value (average) (*)	Total Weighted Value (average) (**)
	High Quality Liquid Assets (#)								
1	High quality liquid assets (HQLA)								
(i)	Cash and bank	16,728.43	16,728.43	3,572.47	3,572.47	4,419.68	4,419.68	5,332.75	5,332.75
(ii)	Government securities and treasury bills	22,196.24	22,196.24	36,150.39	36,150.39	33,620.94	33,620.94	30,915.72	30,915.72
	Total High Quality Liquid Assets (HQLA) (A)	38,924.67	38,924.67	39,722.86	39,722.86	38,040.62	38,040.62	36,248.47	36,248.47
	Cash Outflows:								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities	41,942.98	48,234.43	40,028.24	46,032.48	41,299.96	47,494.95	42,190.19	48,518.72
6	Other contractual funding obligations	8,247.26	9,484.35	3,639.13	4,185.00	4,136.41	4,756.87	4,481.11	5,153.28
7	Other contingent funding obligations	54,438.09	62,603.80	52,908.97	60,845.32	7,870.92	9,051.56	52,477.36	60,348.96
8	Total cash outflows (B)	1,04,628.33	1,20,322.58	96,576.34	1,11,062.80	53,307.29	61,303.38	99,148.66	1,14,020.96
	Cash Inflows:								
9	Secured lending	41,780.22	31,335.17	28,521.74	21,391.31	3,478.26	2,608.70	25,555.56	19,166.67
10	Inflows from fully performing exposures	46,410.76	34,808.07	47,878.14	35,908.61	45,374.88	34,031.16	44,100.50	33,075.38
11	Other cash inflows	65,801.69	49,351.27	71,674.45	53,755.84	75,542.37	56,656.78	78,166.55	58,624.91
12	Total cash inflows (C)	1,53,992.67	1,15,494.51	1,48,074.33	1,11,055.76	1,24,395.51	93,296.64	1,47,822.61	1,10,866.96
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total High Quality Liquid Assets (HQLA) (A)		38,924.67		39,722.86		38,040.62		36,248.47
14	Total net outflows (D=C-B)		30,080.64		27,765.70		15,325.85		28,505.24
15	Liquidity coverage ratio (%) (A/D)		129%		143%		248%		127%

(*) Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

(**) Weighted values calculated after the application of respective stress factors on inflow and outflow.

(#) HQLA includes cash on hand, Government securities, treasury bills.

Qualitative disclosure

- (a) Intra-period changes as well as changes over time: The details of all four quarter are disclosed above.
- (b) Composition of HQLAs: The composition of HQLA are disclosed above.
- (c) Derivative exposures and potential collateral calls: The company has no derivative exposure.
- (d) Currency mismatch in the LCR: The company has no foreign currency borrowings, hence the currency mismatch in the LCR are not applicable.
- (e) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considered to be relevant for liquidity profile: All inflows/ outflows considered relevant are considered in LCR calculation.





AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 57: Disclosures related to dividend declaration pursuant to the circular RBI/DOR/2025-26/359 DOR.

ACC.REC.No.278/21.04.018/2025-26 updated on November 28, 2025 - Nil

Note 58: Foreign currency disclosure

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Earnings in foreign currency		
Miscellaneous income (Sale of accumulated carbon credit)	-	28.17
Other operating income (reimbursement income)	-	183.12
	-	211.29
(b) Expenditure in foreign currency (*)		
Interest on debt securities (Loan processing charges)	7.13	-
Recruitment and induction expenses	-	14.94
	7.13	14.94

(*) The above expenditure in foreign currency does not include an amount of nil (March 31, 2025: 0.06 Lakhs) towards dividend paid at 0.001% per annum on conversion of compulsorily convertible preference shares into equity shares in earlier financial year and nil (March 31, 2025: ₹87.32 lakhs) incurred towards draft red hearing prospectus (DRHP) filing which is shown in other non-financial assets (refer note 15).

Note 59: Disclosure in respect of Corporate Social Responsibility under section 135 of the Act and Rules thereon

A CSR committee has been formed by the Company as prescribed under section 135 of the Act. CSR expenses have been incurred throughout the year on the activities as specified in schedule VII of the Act for the year ended March 31, 2026.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Gross amount required to be spent during the year	426.93	390.22
(b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	425.86	383.91
(c) Shortfall at the end of the year (*)	1.07	6.31
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	-	-
(f) Nature of CSR activities (**)	-	-
(g) Details of related party transactions (refer note 48)	304.00	312.00
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately		
At the beginning of the year	6.31	0.15
Fresh provision made during the year	1.07	6.31
Payment made during the year	6.31	0.15
At the closing of the year (*)	1.07	6.31

(*) The amount of shortfall for the current financial year of ₹1.07 lakhs is deposited subsequently in Prime Minister National Relief Fund (March 31, 2025: ₹6.31 lakhs of shortfall amount subsequently deposited into a separate bank account as the agreed milestone have not yet achieved).

(**) CSR activities includes environmental and social initiatives. In environmental initiatives there are certain projects like disaster relief, financial literacy, promoting health checkup and youth entrepreneurship.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 60: Operating segment

The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108-""Segment Reporting"". The Company operates in a single geographical segment i.e. domestic. The Company is not reliant on revenues from transactions with any single external customer.

The Company does not have operations outside India and hence there is no external revenue or assets which require disclosure. The company does not derives revenue, from any single customer, 10% or more of company's total revenue.

Note 61: Lease related disclosures

(a) Company as a lessee

In the Statement of Profit and Loss for the current and previous year, operating lease expenses which were recognised as rental expenses is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. De-recognition of rental expenses and recognition of depreciation and finance costs has positively impacted EBITDA by ₹269.59 lakhs (March 31, 2025: ₹288.02 lakhs) and negatively impacted the PBT by ₹28.13 lakhs (March 31, 2025: ₹9.96 lakhs).

(b) The table below describes the nature of Company's leasing activities by type of right-of-assets recognised on balance sheet:

As on March 31, 2026

Particulars	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	13	3 months to 80 months	28 months	4	-	-
Furniture	4	39 months to 76 months	49 months	4	-	-

As on March 31, 2025

Particulars	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	12	2 months to 92 months	25 months	4	-	-
Furniture	4	51 months to 88 months	60 months	4	-	-

(c) Lease payments, not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Short-term leases	2,087.84	1,933.51



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 61: Lease related disclosures (cont'd)

(d) Total future lease payments relating to underlying leases are as follows:

Particulars	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	As at March 31, 2026
Lease payments	248.23	234.12	158.40	84.42	67.65	105.20	898.02
Less: Finance cost	65.81	46.61	29.42	18.92	13.25	9.12	183.13
Net present values	182.42	187.51	128.98	65.50	54.40	96.08	714.89

Particulars	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	As at March 31, 2025
Lease payments	200.21	161.99	145.31	134.74	84.42	172.32	898.99
Less: Finance cost	63.46	50.96	39.65	28.76	18.92	21.83	223.58
Net present values	136.75	111.03	105.66	105.98	65.50	150.49	675.41

(e) Total cash outflow for leases for the year ended March 31, 2026 was ₹269.30 lakhs (March 31, 2025: ₹278.07 lakhs).

(f) The Company has leases for office building and furnitures. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

(g) As per Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 11%.

Note 62: Contingent liabilities and commitments

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1. Contingent liabilities classified as:		
(a) Claims against the company not acknowledged as debt (*)		
Demand for income tax and GST received from respective authorities in respect of which the Company has gone for appeal. Based on the management assessment, crystallization of liability on these items is not considered probable and hence not acknowledged as debt by the Company.	963.55	399.32
(b) Guarantees excluding financial guarantee	-	-
(c) Other money for which the company is contingently liable	-	-
2. Commitments classified as:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Capital commitment for purchase/ development of tangible and intangible asset (net of advances).	12.84	10.66
(b) Uncalled liability on shares and other investments partly paid up	-	-
(c) Other commitments (sanctioned loan remaining undisbursed).	1,179.39	509.79

(*) Claims against the company not acknowledged as debt does not include interest.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 63: Additional regulatory information pursuant to Ministry of Company Affairs Notification dated March 24, 2021:

A. Title deeds of Immovable Property

The Company does not own any immovable property in the form of land and building.

B. Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

The Company has not granted any loans to promoters, directors, KMPs and the related parties.

C. Details of Benami Property held

There have been no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

D. Borrowings from banks or financial institutions on the basis of security of current assets

The Company has availed borrowings from banks or financial institutions on the basis of security of current assets and the returns or statements of current assets filed by the Company with banks or financial institutions as at March 31, 2026, are in agreement with the books of accounts.

E. Willful Defaulter

The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

F. Relationship with Struck off Companies

The Company has not entered into any transactions with the companies struck off under section 248 of the Companies Act, 2013.

G. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the year ended as at March 31, 2026 except the following where no dues certificate have not been received from the lenders and pending for charge satisfaction.

Lenders (*)	Charge ID	Sanction Date	Amount	Loan closure date
Axis Trustee Services Limited**	100901347	February 15, 2024	644.66	March 31, 2025
Woori Bank**	100875975	February 26, 2024	4,000.00	February 28, 2026
RBL Bank*	100887760	March 07, 2024	15,000.00	March 30, 2026
National Bank for Agriculture and Rural Development (NABARD)*	100416443	December 31, 2020	10,000.00	March 31, 2026
Kookmin Bank**	100688635	March 09, 2023	4,000.00	March 16, 2026

*All the charge satisfaction are filed subsequent to the reporting date.

(**) Charge satisfaction pending as on reporting date.

H. Compliance with number of layers of companies

The Company has no subsidiaries or investments in other companies, accordingly compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, are not applicable.



AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 63: Additional regulatory information pursuant to Ministry of Company Affairs Notification dated March 24, 2021: (cont'd)

I. Ratios

Particulars	As at March 31, 2026	As at March 31, 2025	Percentage change in ratio	Explanation
(a) Debt equity ratio ⁽²⁾ (refer note 45)	2.73	2.32	18.00%	Increase in debt equity ratio is due to increase in borrowing outstanding as on the reporting date as compared to earlier reporting date.
(b) Return on equity ratio ⁽³⁾	5.85%	5.57%	6.00%	Increase in ratios are due to
(c) Net profit ratio ⁽⁴⁾	10.58%	8.16%	30.00%	increase in business volume
(d) Return on capital employed ⁽⁵⁾	5.85%	5.57%	6.00%	as compared to the last year.
(e) Current ratio ⁽¹⁾		Not applicable	-	
(f) Debt service coverage ratio ⁽¹⁾		Not applicable	-	
(g) Inventory turnover ratio ⁽¹⁾		Not applicable	-	
(h) Trade receivables turnover ratio ⁽¹⁾		Not applicable	-	
(i) Trade payables turnover ratio ⁽¹⁾		Not applicable	-	
(j) Net capital turnover ratio ⁽¹⁾		Not applicable	-	
(k) Return on investment ⁽¹⁾		Not applicable	-	

Notes:

- (1) The Company is a Non-Banking Financial Company registered under Reserve Bank of India Act, 1934, hence these ratios are not applicable.
- (2) Debt equity ratio = (debt securities + borrowings-other than debt securities + subordinated liabilities) /net worth, where net worth is aggregate of equity share capital and other equity.
- (3) Return on equity ratio = profit after tax/ average networkth.
- (4) Net profit ratio = profit before tax/ total revenue from operations.
- (5) Return on capital employed = profit after tax/ average networkth.

J. Compliance with approved Scheme(s) of Arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of section 230 to 237 of the Act.

K. Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

L. Undisclosed income

There are no transactions recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

M. Corporate Social Responsibility (CSR)

Refer note 59

N. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.

AROHAN FINANCIAL SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2026 (cont'd)

(All amounts in ₹ lakhs unless otherwise stated)

Note 64: On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"), consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to facilitate assessment of the financial impact arising from changes in the regulatory framework. Based on the information available as on the date and the manner consistent with the guidance issued by Institute of Chartered Accountants of India (ICAI), consequently, the implementation of the Labour codes has no material financial impact on the Company, and the said benefits continues to be recognised in accordance with the Company's policy and applicable Indian Accounting Standards. The Company will continue to track and evaluate the impact of the rules notified by the Central/ State Government post March 31, 2026 and consider the appropriate accounting effect in the relevant periods, as needed.

Note 65: Draft Red Herring Prospectus (DRHP):

The resolution for taking necessary actions to consider and evaluate an initial public offering of equity shares by way of issue of fresh equity shares and an offer for sale by existing shareholders of the Company have been approved by the Board of Directors in its meeting held on May 15, 2026. Pursuant to the SEBI ICDR (Issue of Capital and Disclosure Requirements) Regulations, 2025, the Company has filed its Draft Red Herring Prospectus (DRHP) with SEBI dated May 15, 2026.

This is the summary of material accounting policies and other explanatory information referred in our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

Nitesh Shetty

Partner

Membership No 123493

Place: Kolkata

Date: May 21, 2026

For and on behalf of the Board of Directors of

Arohan Financial Services Limited

Manojkumar N Nambiar

Managing Director

(DIN: 03172919)

Place : Kolkata

Anirudh Singh G Thakur

Company Secretary and

Chief Compliance Officer

Place: Kolkata

Date: May 21, 2026

Anurag Agrawal

Director

(DIN: 02385780)

Place : Kolkata

Milind R Nare

Deputy Chief Executive Officer

and Chief Financial Officer

Place: Kolkata



Arohan Financial Services Limited

PTI building, 4th floor, DP-9, Sector V, Kolkata 700 091

W: www.arohan.in | P: +91 33 40156000

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