

Independent Auditor's Review Report on unaudited quarterly and year to date financial results of Arohan Financial Service Limited pursuant to the Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying statement of unaudited financial results of Arohan Financial Services Limited (the 'Company') for the quarter ended June 30, 2022 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Our responsibility is to express a conclusion based on our review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - 'Interim Financial Reporting' (the 'Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

MSKA & Associates


Chartered Accountants

5. The financial statement of the Company for the corresponding quarter ended June 30, 2021, was audited by another auditor whose report dated August 7, 2021 expressed an unmodified opinion on those financial statement. Our conclusion is not modified in respect of these matters.

For M S K A & Associates

ICAI Firm Registration Number: 105047W

Chartered Accountants

**Tushar
Ramniklal
Kurani**  Digitally signed by
Tushar Ramniklal
Kurani
Date: 2022.08.12
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Tushar Kurani

Partner

Membership Number: 118580

UDIN: 22118580AOWFPO1860

Mumbai

August 12, 2022

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter ended 30 June 2022

(₹ in lakhs)

Particulars	Quarter ended			
	30 June 2022		31 March 2022	
	30 June 2022 (Unaudited)	31 March 2022 (Audited)	30 June 2021 (Audited)	31 March 2022 (Audited)
1 Revenue				
(a) Interest income	22,296.41	20,918.97	22,249.63	85,872.70
(b) Dividend income	-	-	-	3.50
(c) Fees and commission income	1,558.11	1,081.22	1,039.75	4,172.35
(d) Net gain on derecognition of financial instruments	358.81	-	-	-
(e) Others	21.07	24.81	34.31	124.02
Total revenue from operations	24,234.40	22,025.00	23,323.69	90,172.57
(f) Other income	436.12	184.37	728.47	1,870.03
Total revenue	24,670.52	22,209.37	24,052.16	92,042.60
2 Expenses				
(a) Finance costs	11,016.31	8,975.22	11,059.26	40,176.34
(b) Impairment on financial instruments	2,541.19	2,966.98	4,617.62	13,566.80
(c) Employee benefits expenses	5,739.93	5,179.27	4,907.55	21,039.10
(d) Depreciation and amortization expenses	125.53	135.15	148.89	586.07
(e) Other expenses	2,050.26	2,963.71	1,750.98	8,380.19
Total expenses	21,473.22	20,220.33	22,484.30	83,748.50
3 Profit/ (loss) before tax (1-2)	3,197.30	1,989.04	1,567.86	8,294.10
4 Tax expense				
(a) Current tax	301.22	8.93	1,483.41	8.93
(b) Deferred tax charge/ (credit)	564.22	533.19	(1,208.57)	2,178.62
(c) Tax expense for earlier years	-	11.52	-	11.52
5 Net Profit/ (loss) after tax (3-4)	2,331.86	1,435.40	1,293.02	6,095.03
6 Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	(92.40)	214.27	(15.61)	(223.42)
(ii) Remeasurement of equity instruments through other comprehensive income	-	1.68	-	5.00
(iii) Income tax relating to items that will not be reclassified to profit or loss	23.26	(53.92)	3.93	55.40
(b) Items that will be reclassified to profit or loss				
(i) Fair valuation of financial assets	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (a+b)	(69.14)	162.03	(11.68)	(163.02)
Total Comprehensive Income for the period/ year (5+6)	2,262.72	1,597.43	1,281.34	5,932.01
7 Paid-up equity share capital (Face value of ₹ 10 each)	12,017.73	12,017.73	12,017.73	12,017.73
8 Earning per equity share (not annualised)				
(a) Basic (In ₹)	1.94	1.19	1.11	5.07
(b) Diluted (In ₹)	1.93	1.19	1.10	5.05

Arohan Financial Services Limited

Notes:-

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Arohan Financial Services Limited ("the Company") at their meetings held on August 11, 2022 and August 12, 2022 respectively.
- 2 The unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 3 The above financial results for quarter ended June 30, 2022 and March 31, 2022 have been reviewed/ audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified conclusion/ opinion. The financial results for the quarter ended June 30, 2021 were audited by Walker Chandio & Co LLP, Chartered Accountants, on which they had issued unmodified opinion.
- 4 India is emerging from COVID-19 virus, a global pandemic that affected the world economy over last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on the ongoing as well as future developments, including, among other things, any new information concerning the severity of COVID-19 pandemic, and any action contain its spread or mitigate its impact whether government mandated or elected by us.
- 5 RBI vide circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarifications" has clarified certain aspects of the extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across the lending institutions. However RBI vide circular dated February 15, 2022 has allowed NBFC's to implement the same by September 30, 2022. The Company has taken steps to comply with the norms / changes for regulatory reporting, as applicable. Such clarification has no significant impact on the financial results for the quarter ended June 30, 2022 as the Company continues to prepare the financial results in accordance with the applicable Ind AS guidelines and the RBI circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".
- 6 Details of loan transferred/ acquired during the quarter ended June 30, 2022 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 on transfer of loan exposures dated September 24, 2021 are given below:
 - (i) Details of loan transfer through direct assignment transaction in respect of loans not in default for the quarter ended June 30, 2022:

Particulars	To Banks/ NBFC's
Number of loans	24,748
Aggregate amount of loans transferred (₹ in lakhs)	5,906.91
Sale Consideration (₹ in lakhs)	5,906.91
Weighted average residual maturity (in months) (*)	17.05
Weighted average holding period by the originator (in months)	4.59
Retention of beneficial economic interest by the originator	8.96% to 9.80%
Tangible security coverage	-
Rating-wise distribution of rated loans	-
Number of instances where it has agreed to replace loans transferred to transferee(s)	-
Number of instances where it has agreed to pay damages arising out of any representation or warranty	-

- (*) residual maturity from the time of transfer
- (ii) The Company has not transferred/ acquired any stressed loans during the quarter ended June 30, 2022.
 - (iii) The Company has not acquired loans not in default during the quarter ended June 30, 2022.
- 7 The Company is primarily engaged in the business of financing - a single business segment in terms of Ind AS 108 "Operating segments"; consistent with the internal reporting provided to the Chief Operating Decision Maker.
 - 8 As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), all secured non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
 - 9 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and becomes effective.
 - 10 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
 - 11 Previous quarter/ year ended figures have been regrouped / rearranged wherever necessary, to conform with the current quarter/ year.

Place: Kolkata
Date: 12 August 2022

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

Manoj Kumar
Narayan
Nambiar

Digitally signed by Manoj
Kumar Narayan Nambiar
Date: 2022.08.12 15:20:54
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Manoj Kumar Nambiar
Managing Director
DIN: 03172919

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

Arohan Financial Services Limited

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at and for the quarter ended June 30, 2022.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.94
B	Debt service coverage ratio ⁽²⁾	Not Applicable
C	Interest service coverage ratio ⁽²⁾	Not Applicable
D	Debenture redemption reserve ⁽³⁾	Not Applicable
E	Capital redemption reserve ⁽³⁾	Not Applicable
F	Outstanding redeemable preference shares (quantity and value)	Nil
G	Net worth (₹ in lakhs) ⁽⁴⁾	90,780.54
H	Net profit after tax (₹ in lakhs) (i) For the quarter ended	2,331.86
I	Earnings per share (in ₹) (i) Basic : (ii) Diluted :	1.94 1.93
J	Current ratio ⁽⁷⁾	Not Applicable
K	Long term debt to working capital ⁽⁷⁾	Not Applicable
L	Bad debts to account receivable ratio ⁽⁷⁾	Not Applicable
M	Current liability ratio ⁽⁷⁾	Not Applicable
N	Total debts to total assets ⁽⁵⁾	78.36%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾	9.45%
S	Sector specific equivalent ratios, as applicable (i) Capital Adequacy Ratio ⁽⁸⁾ (ii) Gross stage 3 Ratio ⁽⁹⁾ (iii) Net stage 3 Ratio ⁽¹⁰⁾	28.31% 3.58% 0.91%

Notes:-

- Debt - equity ratio = (debt securities + borrowings-other than debt securities + subordinated liabilities) / (Equity Share Capital + Other Equity).
- Debt service coverage ratio and interest service coverage ratio are not applicable to Banks or NBFC/ Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
- Capital redemption Reserve/ Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- Net worth is calculated as defined in section 2(57) of the Companies Act, 2013.
- Total debts to total assets = (debt securities + borrowings - other than debt securities + subordinated liabilities) / total assets
- Net profit margin = Net profit after tax / Total revenue
- The Company is a Non-Banking Financial Company registered under Reserve Bank of India Act, 1934, hence these ratios are generally not applicable.
- Capital to risk-weighted assets is calculated as per the RBI guidelines.
- Gross stage 3 ratio* = Gross stage 3 loans exposure at default (EAD) / Gross total loans EAD
- Net Stage 3 ratio* = (gross stage 3 loans EAD - impairment loss allowance for Stage 3) / (gross total loans EAD - impairment loss allowance for Stage 3)
* Refer note 5 of financial result.

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

Manoj Kumar
Narayan Nambiar
Digitally signed by Manoj Kumar Narayan Nambiar
Date: 2022.08.12 15:21:56 +05'30'

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 12 August 2022

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

Independent Auditor’s Review Report on unaudited quarterly and year to date financial results of Arohan Financial Service Limited pursuant to the Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying statement of unaudited financial results of Arohan Financial Services Limited (the ‘Company’) for the quarter ended June 30, 2022 (the ‘Statement’) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (‘the Regulation’). Our responsibility is to express a conclusion based on our review.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - ‘Interim Financial Reporting’ (the ‘Ind AS 34’), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

MSKA & Associates


Chartered Accountants

5. The financial statement of the Company for the corresponding quarter ended June 30, 2021, was audited by another auditor whose report dated August 7, 2021 expressed an unmodified opinion on those financial statement. Our conclusion is not modified in respect of these matters.

For M S K A & Associates

ICAI Firm Registration Number: 105047W

Chartered Accountants

**Tushar
Ramniklal
Kurani**  Digitally signed by
Tushar Ramniklal
Kurani
Date: 2022.08.12
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Tushar Kurani

Partner

Membership Number: 118580

UDIN: 22118580AOWFPO1860

Mumbai

August 12, 2022

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter ended 30 June 2022

(₹ in lakhs)

Particulars	Quarter ended			
	30 June 2022		31 March 2022	
	30 June 2022 (Unaudited)	31 March 2022 (Audited)	30 June 2021 (Audited)	31 March 2022 (Audited)
1 Revenue				
(a) Interest income	22,296.41	20,918.97	22,249.63	85,872.70
(b) Dividend income	-	-	-	3.50
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(d) Net gain on derecognition of financial instruments	358.81	-	-	-
(e) Others	21.07	24.81	34.31	124.02
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(f) Other income	436.12	184.37	728.47	1,870.03
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(b) Deferred tax charge/ (credit)	564.22	533.19	(1,208.57)	2,178.62
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5 Net Profit/ (loss) after tax (3-4)	2,331.86	1,435.40	1,293.02	6,095.03
6 Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
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(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
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Total Comprehensive Income for the period/ year (5+6)	2,262.72	1,597.43	1,281.34	5,932.01
7 Paid-up equity share capital (Face value of ₹ 10 each)	12,017.73	12,017.73	12,017.73	12,017.73
8 Earning per equity share (not annualised)				
(a) Basic (In ₹)	1.94	1.19	1.11	5.07
(b) Diluted (In ₹)	1.93	1.19	1.10	5.05

Arohan Financial Services Limited

Notes:-

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Arohan Financial Services Limited ("the Company") at their meetings held on August 11, 2022 and August 12, 2022 respectively.
- 2 The unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 3 The above financial results for quarter ended June 30, 2022 and March 31, 2022 have been reviewed/ audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified conclusion/ opinion. The financial results for the quarter ended June 30, 2021 were audited by Walker Chandio & Co LLP, Chartered Accountants, on which they had issued unmodified opinion.
- 4 India is emerging from COVID-19 virus, a global pandemic that affected the world economy over last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on the ongoing as well as future developments, including, among other things, any new information concerning the severity of COVID-19 pandemic, and any action contain its spread or mitigate its impact whether government mandated or elected by us.
- 5 RBI vide circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarifications" has clarified certain aspects of the extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across the lending institutions. However RBI vide circular dated February 15, 2022 has allowed NBFC's to implement the same by September 30, 2022. The Company has taken steps to comply with the norms / changes for regulatory reporting, as applicable. Such clarification has no significant impact on the financial results for the quarter ended June 30, 2022 as the Company continues to prepare the financial results in accordance with the applicable Ind AS guidelines and the RBI circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".
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Weighted average holding period by the originator (in months)	4.59
Retention of beneficial economic interest by the originator	8.96% to 9.80%
Tangible security coverage	-
Rating-wise distribution of rated loans	-
Number of instances where it has agreed to replace loans transferred to transferee(s)	-
Number of instances where it has agreed to pay damages arising out of any representation or warranty	-

- (*) residual maturity from the time of transfer
- (ii) The Company has not transferred/ acquired any stressed loans during the quarter ended June 30, 2022.
 - (iii) The Company has not acquired loans not in default during the quarter ended June 30, 2022.
- 7 The Company is primarily engaged in the business of financing - a single business segment in terms of Ind AS 108 "Operating segments"; consistent with the internal reporting provided to the Chief Operating Decision Maker.
 - 8 As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), all secured non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
 - 9 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and becomes effective.
 - 10 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
 - 11 Previous quarter/ year ended figures have been regrouped / rearranged wherever necessary, to conform with the current quarter/ year.

Place: Kolkata
Date: 12 August 2022

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

Manoj Kumar
Narayan
Nambiar

Digitally signed by Manoj
Kumar Narayan Nambiar
Date: 2022.08.12 15:20:54
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Manoj Kumar Nambiar
Managing Director
DIN: 03172919

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

Arohan Financial Services Limited

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as at and for the quarter ended June 30, 2022.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.94
B	Debt service coverage ratio ⁽²⁾	Not Applicable
C	Interest service coverage ratio ⁽²⁾	Not Applicable
D	Debenture redemption reserve ⁽³⁾	Not Applicable
E	Capital redemption reserve ⁽³⁾	Not Applicable
F	Outstanding redeemable preference shares (quantity and value)	Nil
G	Net worth (₹ in lakhs) ⁽⁴⁾	90,780.54
H	Net profit after tax (₹ in lakhs) (i) For the quarter ended	2,331.86
I	Earnings per share (in ₹) (i) Basic : (ii) Diluted :	1.94 1.93
J	Current ratio ⁽⁷⁾	Not Applicable
K	Long term debt to working capital ⁽⁷⁾	Not Applicable
L	Bad debts to account receivable ratio ⁽⁷⁾	Not Applicable
M	Current liability ratio ⁽⁷⁾	Not Applicable
N	Total debts to total assets ⁽⁵⁾	78.36%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾	9.45%
S	Sector specific equivalent ratios, as applicable (i) Capital Adequacy Ratio ⁽⁸⁾ (ii) Gross stage 3 Ratio ⁽⁹⁾ (iii) Net stage 3 Ratio ⁽¹⁰⁾	28.31% 3.58% 0.91%

Notes:-

- Debt - equity ratio = (debt securities + borrowings-other than debt securities + subordinated liabilities) / (Equity Share Capital + Other Equity).
- Debt service coverage ratio and interest service coverage ratio are not applicable to Banks or NBFC/ Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.
- Capital redemption Reserve/ Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- Net worth is calculated as defined in section 2(57) of the Companies Act, 2013.
- Total debts to total assets = (debt securities + borrowings - other than debt securities + subordinated liabilities) / total assets
- Net profit margin = Net profit after tax / Total revenue
- The Company is a Non-Banking Financial Company registered under Reserve Bank of India Act, 1934, hence these ratios are generally not applicable.
- Capital to risk-weighted assets is calculated as per the RBI guidelines.
- Gross stage 3 ratio* = Gross stage 3 loans exposure at default (EAD) / Gross total loans EAD
- Net Stage 3 ratio* = (gross stage 3 loans EAD - impairment loss allowance for Stage 3) / (gross total loans EAD - impairment loss allowance for Stage 3)
* Refer note 5 of financial result.

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

Manoj Kumar
Narayan Nambiar
Digitally signed by Manoj Kumar Narayan Nambiar
Date: 2022.08.12 15:21:56
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Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 12 August 2022

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