

Date: August 08, 2023

To

Listing Department

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 955550

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on August 08, 2023 for
the Quarter ended June 30, 2023**

Pursuant to Regulations 51 and 52 read with Part B of Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**SEBI Listing Regulations, 2015**”), as amended from time to time, the Board of Directors at its meeting held today, i.e. August 08, 2023, inter alia, considered and approved the Unaudited Financial Results along with the Limited Review Report of the Company for the Quarter ended June 30, 2023. In this regard, please find enclosed herewith the following documents:

1. A copy of the Unaudited Financial Results along with the Limited Review Report issued by the Statutory Auditors, MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) and the disclosures as required under Regulation 52(4) of the SEBI Listing Regulations, 2015.

2. Statement pursuant to Regulations 52(7) and 52(7A) of the SEBI Listing Regulations, 2015.
3. Disclosure of Security Cover in pursuance to Regulation 54 of the SEBI Listing Regulations, 2015.

Further, please be informed that there are following changes in the Management and Board of Directors of the Company:

1. Mr. Ranjan Das has been re-appointed as the Chief Risk Officer (CRO) of the Company.
2. Mr. Anirudh Singh G. Thakur, the Head - Legal, Compliance & Company Secretary has been designated as the Chief Compliance Officer (CCO) of the Company to be effective from October 01, 2023 as per the Scale Based Regulation (SBR) issued by the RBI.
3. Mr. Vishal Wadhwa - Head of Business of the Company has resigned from the Company.
4. Ms. Rupa Rajul Vora (DIN: 01831916) has replaced Mr. Aditya Mohan (DIN: 08299455) as Nominee Director of the Company as a representative of Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) with immediate effect.

Furthermore, as intimated earlier vide our letter dated August 01, 2023, the Board has approved the issuance of senior, secured, unlisted Non-Convertible Debentures (NCDs) upto INR 225 Crores (Rupees Two Hundred and Twenty-Five Crores only) on a Private Placement Basis in one or more tranches.

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

The above meeting of the Board of Directors commenced at 14:00 hours (I.S.T) and concluded at 18:30 hours (I.S.T).

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

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



Encl: as above

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

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

Independent Auditor's Review Report on unaudited financial results of Arohan Financial Services Limited for the quarter ended June 30, 2023 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, 2023 ('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 Regulations').
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' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review 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 the Statement is free of material misstatement. 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 Act read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

**Tushar
Ramniklal
Kurani**

Digitally signed by
Tushar Ramniklal
Kurani
Date: 2023.08.08
15:56:18 +05'30'

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 23118580BGXRST9834

Mumbai
August 08, 2023

Arohan Financial Services Limited				
Statement of unaudited financial results for the quarter ended 30 June 2023				
Particulars	(₹ in lakhs)			
	Quarter ended		Year ended	
	30 June 2023 (Unaudited)	31 March 2023 (Refer note 4) (Audited)	30 June 2022 (Unaudited)	31 March 2023 (Audited)
1 Revenue				
(a) Interest income	29,707.77	25,808.91	22,296.41	93,096.90
(b) Fees and commission income	3,939.20	3,862.67	1,558.11	10,209.69
(c) Net gain on derecognition of financial instruments	873.20	1,781.06	358.81	3,586.49
(d) Others	0.33	3.20	21.07	52.30
Total revenue from operations	34,520.50	31,455.84	24,234.40	1,06,945.38
(e) Other income	855.54	855.66	436.12	2,154.14
Total revenue	35,376.04	32,311.50	24,670.52	1,09,099.52
2 Expenses				
(a) Finance costs	13,356.86	11,866.30	11,016.31	46,864.42
(b) Impairment on financial instruments	8,952.70	8,223.32	2,541.86	19,316.60
(c) Employee benefits expenses	7,173.00	6,956.82	5,739.93	24,614.80
(d) Depreciation and amortization	129.85	120.50	125.53	476.24
(e) Other expenses	2,515.45	2,366.05	2,049.59	8,832.10
Total expenses	32,127.86	29,532.99	21,473.22	1,00,104.16
3 Profit/ (loss) before tax (1-2)	3,248.18	2,778.51	3,197.30	8,995.36
4 Tax expense				
(a) Current tax	117.99	(68.34)	301.22	1.96
(b) Deferred tax charge	509.50	645.25	564.22	2,014.95
(c) Tax expense for earlier years	80.81	39.21	-	(93.18)
5 Net profit after tax (3-4)	2,539.88	2,162.39	2,331.86	7,071.63
6 Other comprehensive income				
(a) Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	(105.00)	(93.81)	(92.40)	(350.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss	26.43	23.61	23.26	88.34
(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)	(78.57)	(70.20)	(69.14)	(262.65)
Total comprehensive income for the period/ year (5+6)	2,461.31	2,092.19	2,262.72	6,808.98
7 Paid-up equity share capital (Face value of ₹ 10 each)	18,170.76	15,038.85	12,017.73	15,038.85
8 Earning per equity share (not annualised)				
(a) Basic (In ₹)	2.17	1.85	1.94	6.05
(b) Diluted (In ₹)	1.82	1.78	1.93	5.84

Arohan Financial Services Limited
Notes:-

- 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 7, 2023 and August 8, 2023 respectively.
- 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.
- The above financial results for quarter ended June 30, 2023, June 30, 2022 and year ended March 31, 2023 have been reviewed/ audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified opinion/ conclusion.
- The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the year ended March 31, 2023 and reviewed figures for the nine month ended December 31, 2022.
- During the current quarter ended June 30, 2023 the Company has allotted 77,89,648 and 2,35,29,411 compulsorily convertible preference shares of ₹10 each to Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) and Danish Sustainable Development Goals Investment Fund K/S (IFU) respectively at a price of ₹85 (including securities premium of ₹75 per share) aggregating to ₹26,621.20 Lakhs.
- Details of loan transferred/ acquired during the period ended June 30, 2023 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 on transfer of loan exposures dated September 24, 2021 are given below:
 - Details of loan transfer through direct assignment transaction in respect of loans not in default for the period ended June 30, 2023:

Particulars	To Banks/ NBFC's
Number of loans	26,709
Aggregate amount of loans transferred (₹ in lakhs)	9,532.93
Sale Consideration (₹ in lakhs)	9,532.93
Weighted average residual maturity (in months) (*)	19.00
Weighted average holding period by the originator (in months)	4.00
Retention of beneficial economic interest by the originator	13.50% to 15.50%
Tangible security coverage	-
Rating-wise distribution of rated loans	-
Number of instances where it has agreed to replace loans transferred to transferee(s)	-
Number of instances where it has agreed to pay damages arising out of any representation or warranty	-

(*) residual maturity from the time of transfer

(ii) The Company has not acquired any stressed loans during the period ended June 30, 2023.

(iii) The Company has not acquired loans not in default during the period ended June 30, 2023.

(iv) (a) The company has transferred certain NPA & SMA loans during the period ended June 30, 2023, details of which are given below:

Particulars	To ARC's		To permitted transferees
	NPA	SMA	
(i) Total number of loan assets assigned	69,070	78,009	Nil
(ii) Aggregate principal outstanding of loans transferred (₹ in lakhs) (*)	15,267.65	23,394.04	Nil
(iii) Weighted average residual tenor of loans transferred (in months)	11.18	25.10	Nil
(iv) Net book value of loan assets transferred (at the time of transfer) (₹ in lakhs)	Nil	15,384.18	Nil
(v) Aggregate consideration (₹ in lakhs)	12,000.00		Nil
(vi) Addition consideration realised in respect of account transferred in earlier years	Nil		Nil

(*) NPA Includes written off loans of ₹6,764.99 lakhs

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

Particulars	Category of recovery ratings	As at June 30, 2023 (₹ in lakhs)
Security Receipts under trust floated by ARC's (FY 23-16)	IND RR2 (75%-100%)	7,144.00
Security Receipts under trust floated by ARC's (FY 23-36)	Yet to be rated within time lines as per Reserve Bank of India guidelines	10,434.00

- 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.
- Subsequent to the reporting date the shareholder of the Company in their meeting held on August 7, 2023 have approved allotment of 7,00,000 equity shares of ₹10 each to Arohan ESOP Trust at a price of ₹124 (including securities premium of ₹114 per share) aggregating to ₹868.00 Lakhs.
- 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.
- 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.
- Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- Previous quarter/ year ended figures have been regrouped/ rearranged wherever necessary, to conform with the current quarter/ year.

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

MANOJ KUMAR
NARAYAN NAMBIAR

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 8 August 2023

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

Arohan Financial Services Limited

Statement of unaudited financial results for the quarter ended 30 June 2023

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	2.96
B	Debt service coverage ratio ⁽²⁾	Not Applicable
C	Interest service coverage ratio ⁽²⁾	Not Applicable
D	Debenture redemption reserve ⁽³⁾	Not Applicable
E	Capital redemption reserve ⁽³⁾	Not Applicable
F	Outstanding redeemable preference shares (quantity and value)	Nil
G	Net worth (₹ in lakhs) ⁽⁴⁾	1,50,340.19
H	Net profit after tax (₹ in lakhs) For the quarter ended	2,539.88
I	Earnings per share (in ₹) (i) Basic : (ii) Diluted :	2.17 1.82
J	Current ratio ⁽⁷⁾	Not Applicable
K	Long term debt to working capital ⁽⁷⁾	Not Applicable
L	Bad debts to account receivable ratio ⁽⁷⁾	Not Applicable
M	Current liability ratio ⁽⁷⁾	Not Applicable
N	Total debts to total assets ⁽⁵⁾	72.97%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾ For the quarter ended	7.18%
S	Sector specific equivalent ratios, as applicable (i) Capital Adequacy Ratio ⁽⁸⁾ (ii) Gross stage 3 Ratio ⁽⁹⁾ (iii) Net stage 3 Ratio ⁽¹⁰⁾	32.73% 1.68% NIL

Notes:-

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

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

MANOJ KUMAR
NARAYAN NAMBIAR

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Date: 2023.08.08 15:28:56 +05'30'

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 8 August 2023

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

A. Statement of utilization of issue proceeds:

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

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

Particulars	Remarks
Name of listed entity	Arohan Financial Services Limited
Mode of fund raising	N/A
Type of instrument	N/A
Date of raising funds	N/A
Amount raised	N/A
Report filed for quarter ended	June 30, 2023
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	N/A
If yes, details of the approval so required?	N/A
Date of approval	N/A
Explanation for the deviation/ variation	N/A
Comments of the audit committee after review	N/A
Comments of the auditors, if any	N/A

Objects for which funds have been raised and where there has been a deviation/variation, in the following table: **Not Applicable, since there is no deviation or variation.**

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

Deviation could mean:

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

Name of signatory: Anirudh Singh G. Thakur

Designation: Company Secretary and Compliance Officer

Date: August 08, 2023



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

Independent Auditors' Report on Statement of security cover in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 16,765.74 Lakhs of Arohan Financial Services Limited as at June 30, 2023 pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended)

1. This report is being issued with the terms of mandate letter to the Board of Directors of Arohan Financial Services Limited dated July 14, 2023
2. We, M S K A & Associates, Chartered Accountants, are the Statutory Auditors of the Arohan Financial Services Limited ("the Company") and have been requested by the Management of the Company to examine the accompanying Statement containing details of 'Security Cover as per the terms of offer document/ Information Memorandum and Debenture Trust Deed and compliance with Financial Covenants' in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 16,765.74 lakhs as at June 30, 2023("the Statement"). The Statement has been prepared by the Company on the basis of the unaudited books of account and other relevant records and documents maintained by the Company as at June 30, 2023, in respect of its Listed, Secured, Redeemable, Non-convertible debentures stated above, in compliance with the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter together referred to as "the SEBI Regulations").
3. The Statement has been prepared for the purpose of onward submission to the Catalyst Trusteeship Limited (the "Debenture Trustee") to ensure compliance with the SEBI Regulations in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 16,765.74 lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement is the responsibility of management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Company's Debenture Trustee as prescribed in the respective Debenture Trust Deed entered into between the Company and its Debenture Trustee in respect of its Listed/Unlisted, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 16,765.74 lakhs.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulation, it is our responsibility to obtain limited assurance and form a conclusion as to whether the book values of the assets of the Company contained in Columns A to J of the Statement have been accurately extracted and ascertained from the unaudited books of account of the Company and other relevant records and documents maintained by the Company, and whether the Company maintained the asset cover and complied with the financial covenants as per the Debenture Trust Deed. Our responsibility does not include the evaluation of adherence by the Company with all the applicable SEBI Regulations.
7. For the purposes of this report, we have relied on the unaudited books of account of the Company for the period ended June 30, 2023 and information and documents as made available to us by the Company.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Obtained and read the terms of offer document/ Information Memorandum and Debenture Trust Deed entered into between the Company and its Debenture trustee.
 - b) Traced and agreed the principal amount and the interest thereon of borrowings outstanding in respect of debt securities and assets available for debt securities as at June 30, 2023 to the unaudited books of account maintained by the Company as at June 30, 2023.
 - c) Obtained and read the list of security cover in respect of debenture outstanding as per the Statement and traced the value of assets from the Statement to the unaudited books of account of the Company and correlated to the books of account and other records of the Company as at June 30, 2023;
 - d) Understood the nature of charge (viz exclusive charge or pari-passu charge) on the asset of the Company by obtaining the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security;
 - e) Examined and verified the arithmetical accuracy of the computation of security cover ratio (based on book values) mentioned in the accompanying the Statement;
 - f) Compared the Asset Cover with the Asset Cover required to be maintained as per Debenture Trust Deed and Information Memorandum;
 - g) Obtained the workings of assets and liabilities presented in the respective columns in the Statement and verified the same from the unaudited books of account and relevant records and documents underlying the unaudited financial results as at June 30, 2023.
 - h) Performed necessary inquiries with the management.
 - i) Obtained written representations from the Management in this regard.

MSKA & Associates

Chartered Accountants

10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information, explanations and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the book value of the assets of the Company contained in Columns A to J of the Statement are not in agreement with the unaudited books of account of the Company for the period ended and as at June 30, 2023 and other relevant records and documents maintained by the Company and that the Company has not complied with financial covenants of the debentures.

Restriction on Use

13. The Report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's debenture trustee pursuant to the requirements of the SEBI Regulations. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

**Tushar
Ramniklal
Kurani**

Digitally signed by

Tushar Ramniklal

Kurani

Date: 2023.08.08

18:10:47 +05'30'

Tushar Kurani

Partner

Membership No. 118580

UDIN: 23118580BGXRSV6626

Place: Mumbai

Date: August 08, 2023

Arohan Financial Services Limited
Asset coverage ratio as on June 30, 2023

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J (viii)	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Exclusive Charge	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Debts not backed by Security	Elimination (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to I)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued ⁽²⁾	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (Includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)					Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								Relating to Column F	
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	615.93	-	-	615.93	-	-	-	-	-
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	629.45	-	-	629.45	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	199.48	-	-	199.48	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	36.59	-	-	36.59	-	-	-	-	-
Investments		-	-	No	-	-	17,583.00	-	-	17,583.00	-	-	-	-	-
Loans ⁽¹⁾	Loan receivable on Gross basis (i.e. excluding ECL provision)	17,958.32	3,50,950.33	No	-	-	1,58,331.40	-	-	5,27,240.05	-	17,958.32	-	-	17,958.32
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	2,000.81	-	-	2,000.81	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	69,570.66	-	-	69,570.66	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		201.79	31,139.92	No	-	-	6,481.91	-	-	37,823.62	-	201.79	-	-	201.79
Others		-	-	No	-	-	21,022.38	-	-	21,022.38	-	-	-	-	-
Total		18,160.11	3,82,090.24	-	-	-	2,76,471.61	-	-	6,76,721.97	-	18,160.11	-	-	18,160.11
LIABILITIES															
Debt securities to which this certificate pertains ⁽²⁾	Secured Non Convertible Debenture	16,765.74	8,536.23	No	-	-	-	-	-	25,301.97	-	16,765.74	-	-	16,765.74
Other debt sharing pari-passu charge with above debt			-	No	-	-	-	-	-	-	-	-	-	-	-
Other Debt			-	No	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt			-	No	-	-	-	42,517.13	-	42,517.13	-	-	-	-	-
Borrowings from Bank & FI's			3,75,746.63	No	-	-	-	36,786.76	-	4,12,533.39	-	-	-	-	-
Debt Securities			-	No	-	-	-	-	-	-	-	-	-	-	-
Others			-	No	-	-	-	-	-	-	-	-	-	-	-
Trade payables			-	No	-	-	-	-	-	-	-	-	-	-	-
Lease Liabilities			-	No	-	-	-	687.20	-	687.20	-	-	-	-	-
Provisions ⁽¹⁾			-	No	-	-	-	21,232.03	-	21,232.03	-	-	-	-	-
Others ⁽⁴⁾			-	No	-	-	-	11,937.91	-	11,937.91	-	-	-	-	-
Total		16,765.74	3,84,282.86	-	-	-	-	1,13,161.03	-	5,14,209.63	-	16,765.74	-	-	16,765.74
Cover on Book Value		1.08													1.08
Cover on Market Value		NA													
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio										

(1) Loan Receivable are considered on Gross basis and ECL provision of Rs. 18,463.74 lakhs (Provisions are considered in liabilities for the purpose of computation of asset coverage)

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

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

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

For Arohan Financial Services Limited
DEBARSHI
CHAUDHURI
Authorized Signatory
Place: Kolkata
Date: August 08, 2023

Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.08.08 18:01:45
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Arohan Financial Services Limited

Details of covenants criteria as per Debenture trust deeds (DTD), Information Memorandum (IM) and Term Sheet and the Company's compliance with such covenants as at June 30, 2023

Sr.No.	Description of Non-Convertible Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	INE808K07261 (Listed and Secured)	Blue Orchard_NCD	11,503.74 lakhs		
	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC	Capital to risk assets ratio (CRAR)	16.00%	32.73%	Complied
		(PAR 30+Non Covid restructured loan+ net write off of 12months)/Gross Loan Portfolio (refer note 8 below)	15.00%	6.90%	Complied
		(PAR 90 + Non Covid restructured loans provision)/Tier 1 (refer note 4 below)	10.00%	-2.12%	Complied
		Return on Assets (ROA) (refer note 5 below)	> 0%	0.39%	Complied
		Net Foreign Currency / Equity (refer note 6 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	INE808K08079 (Listed and Unsecured)	Piramal_NCD	19,818.59 lakhs		
	Arohan Financial Services Limited SR G 13.65 NCD	Capital to risk assets ratio (CRAR)	18.00%	32.73%	Complied
		Financial indebttness/Net Worth	<=5.5	2.96	Complied
		Gross NPA /Gross on book loan portfolio (refer note 7 below)	<5%	1.71%	Complied
		PAT	Positive	Positive	Complied
		Pre-provisioning operating profit (refer note 10 below)	>300 Cr	Not Applicable for June 2023 as to be reported on Yearly Basis	
3	INE808K08046 (Listed and Unsecured)	Northern Arc_NCD	6,482.53 lakhs		
	Arohan Financial Services Limited SR G 13.50 NCD 28AY25 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	32.73%	Complied
		Gross NPA/Gross Loan Portfolio (refer note 11 below)	2.00%	1.62%	Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 9 below)	20.00%	0.00%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
4	INE808K07253 (Unlisted and Secured)	CDC_NCD	5,262.00 Lakhs		
	Arohan Financial Services Limited 9.54 NCD 30MR25 FVRS10LAC	Capital to risk assets ratio (CRAR)	17.00%	32.73%	Complied
		(PAR 90 + Restructured Loans) /Gross Loan Portfolio (refer note 2 below)	5.00%	3.24%	Complied
		(PAR 90 less provision)/Tangible Networth (refer note 3 below)	20.00%	-0.31%	Complied
		Structural Liquidity	Net cumulative mismatch under maturity bucket 1 to 365 days will be positive	Based on structural liquidity return, the position is positive	Complied

Notes:

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

For Arohan Financials Services Limited

DEBARSHI
CHAUDHURI
Authorized Signatory
Kolkata
August 08, 2023

Digitally signed by DEBARSHI
CHAUDHURI
Date: 2023.08.08 18:02:08 +05'30'

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

Independent Auditors' Report on Statement of security cover in respect of its Listed, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 8,556.94 Lakhs of Arohan Financial Services Limited as at June 30, 2023 pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended)

1. This report is being issued with the terms of mandate letter to the Board of Directors of Arohan Financial Services Limited dated July 14, 2023.
2. We, M S K A & Associates, Chartered Accountants, are the Statutory Auditors of the Arohan Financial Services Limited ("the Company") and have been requested by the Management of the Company to examine the accompanying Statement containing details of 'Security Cover as per the terms of offer document/ Information Memorandum and Debenture Trust Deed and compliance with Financial Covenants' in respect of its Listed, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 8,556.94 lakhs as at June 30, 2023 ("the Statement"). The Statement has been prepared by the Company on the basis of the unaudited books of account and other relevant records and documents maintained by the Company as at June 30, 2023, in respect of its Listed, Secured, Redeemable, Non-convertible debentures stated above, in compliance with the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter together referred to as "the SEBI Regulations").
3. The Statement has been prepared for the purpose of onward submission to the IDBI Trusteeship Services Limited (the "Debenture Trustee") to ensure compliance with the SEBI Regulations in respect of its Listed, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 8,556.94 lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement is the responsibility of management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Company's Debenture Trustee as prescribed in the respective Debenture Trust Deed entered into between the Company and its Debenture Trustee in respect of its Listed, Secured, Redeemable, Non-convertible debentures aggregating to Rs. 8,556.94 lakhs.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulation, it is our responsibility to obtain limited assurance and form a conclusion as to whether the book values of the assets of the Company contained in Columns A to J of the Statement have been accurately extracted and ascertained from the unaudited books of account of the Company and other relevant records and documents maintained by the Company, and whether the Company maintained the asset cover and complied with the financial covenants as per the Debenture Trust Deed. Our responsibility does not include the evaluation of adherence by the Company with all the applicable SEBI Regulations.
7. For the purposes of this report, we have relied on the unaudited books of account of the Company for the period ended June 30, 2023 and information and documents as made available to us by the Company.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Obtained and read the terms of offer document/ Information Memorandum and Debenture Trust Deed entered into between the Company and its Debenture trustee.
 - b) Traced and agreed the principal amount and the interest thereon of borrowings outstanding in respect of debt securities and assets available for debt securities as at June 30, 2023 to the unaudited books of account maintained by the Company as at June 30, 2023.
 - c) Obtained and read the list of security cover in respect of debenture outstanding as per the Statement and traced the value of assets from the Statement to the unaudited books of account of the Company and correlated to the books of account and other records of the Company as at June 30, 2023;
 - d) Understood the nature of charge (viz exclusive charge or pari-passu charge) on the asset of the Company by obtaining the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security;
 - e) Examined and verified the arithmetical accuracy of the computation of security cover ratio (based on book values) mentioned in the accompanying the Statement;
 - f) Compared the Asset Cover with the Asset Cover required to be maintained as per Debenture Trust Deed and Information Memorandum;
 - g) Obtained the workings of assets and liabilities presented in the respective columns in the Statement and verified the same from the unaudited books of account and relevant records and documents underlying the unaudited financial results as at June 30, 2023.
 - h) Performed necessary inquiries with the management.
 - i) Obtained written representations from the Management in this regard.

MSKA & Associates

Chartered Accountants

10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information, explanations and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the book value of the assets of the Company contained in Columns A to J of the Statement are not in agreement with the unaudited books of account of the Company for the period ended and as at June 30, 2023 and other relevant records and documents maintained by the Company and that the Company has not complied with financial covenants of the debentures.

Restriction on Use

13. The Report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's debenture trustee pursuant to the requirements of the SEBI Regulations. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

**Tushar
Ramniklal
Kurani**

Digitally signed by
Tushar Ramniklal Kurani
Date: 2023.08.08
18:09:57 +05'30'

Tushar Kurani

Partner

Membership No. 118580

UDIN: 23118580BGXRSU2201

Place: Mumbai

Date: August 08, 2023

Arohan Financial Services Limited
 Asset coverage ratio as on June 30, 2023

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J (viii)	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Exclusive Charge	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Debts not backed by Security	Elimination (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to I)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued ⁽¹⁾	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)					Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Column F		
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	615.93	-	-	615.93	-	-	-	-	-
Capital Work-In- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	629.45	-	-	629.45	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	199.48	-	-	199.48	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	36.59	-	-	36.59	-	-	-	-	-
Investments		-	-	No	-	-	17,583.00	-	-	17,583.00	-	-	-	-	-
Loans ⁽¹⁾	Loan receivable on Gross basis (i.e. excluding ECL provision)	9,693.65	3,59,215.00	No	-	-	1,58,331.40	-	-	5,27,240.05	-	9,693.65	-	-	9,693.65
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	2,000.81	-	-	2,000.81	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	69,570.66	-	-	69,570.66	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	31,341.71	No	-	-	6,481.91	-	-	37,823.62	-	-	-	-	-
Others		-	-	No	-	-	21,022.38	-	-	21,022.38	-	-	-	-	-
Total		9,693.65	3,90,556.70	-	-	-	2,76,471.61	-	-	6,76,721.97	-	9,693.65	-	-	9,693.65
LIABILITIES															
Debt securities to which this certificate pertains ⁽²⁾	Secured Non Convertible Debenture	8,556.94	16,745.03	No	-	-	-	-	-	25,301.97	-	8,556.94	-	-	8,556.94
Other debt sharing pari-passu charge with above debt			-	No	-	-	-	-	-	-	-	-	-	-	-
Other Debt			-	No	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt			-	No	-	-	-	42,517.13	-	42,517.13	-	-	-	-	-
Borrowings from Bank & FI's			3,75,746.63	No	-	-	-	36,786.76	-	4,12,533.39	-	-	-	-	-
Debt Securities			-	No	-	-	-	-	-	-	-	-	-	-	-
Others			-	No	-	-	-	-	-	-	-	-	-	-	-
Trade payables			-	No	-	-	-	-	-	-	-	-	-	-	-
Lease Liabilities			-	No	-	-	-	687.20	-	687.20	-	-	-	-	-
Provisions ⁽¹⁾			-	No	-	-	-	21,232.03	-	21,232.03	-	-	-	-	-
Others ⁽⁴⁾			-	No	-	-	-	11,937.91	-	11,937.91	-	-	-	-	-
Total		8,556.94	3,92,491.66	-	-	-	-	1,13,161.03	-	5,14,209.63	-	8,556.94	-	-	8,556.94
Cover on Book Value		1.13													1.13
Cover on Market Value		NA													
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio										

(1) Loan Receivable are considered on Gross basis and ECL provision of Rs. 18,463.74 lakhs (Provisions are considered in liabilities for the purpose of computation of asset coverage)

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

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

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

For Arohan Financial Services Limited

DEBARSHI
 CHAUDHURI

Authorized Signatory

Place: Kolkata

Date: August 08, 2023

Digitally signed by DEBARSHI
 CHAUDHURI
 Date: 2023.08.08 18:03:16 +05'30'

Arohan Financial Services Limited

Details of covenants criteria as per Debenture trust deeds (DTD), Information Memorandum (IM) and Term Sheet and the Company's compliance with such covenants as at June 30, 2023

Sr.No.	Description of Non-Convertible Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	INE808K07246 (Listed and Secured)	Blue Orchard_NCD	4,899.36 lakhs		
	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	32.73%	Complied
		(PAR 30+restructured loan+ net write off of 12months)/Gross Loan Portfolio (refer note 3 below)	10.00%	7.07%	Complied
		(PAR 90+restructured loans-provision)/Tier 1 (refer note 4 below)	10.00%	-0.34%	Complied
		Return on Assets (ROA) (refer note 8 below)	> 0%	0.39%	Complied
		Net Foreign Currency / Equity (refer note 10 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	INE808K07162 (Listed and Secured)	BOB_NCD	878.18 lakhs		
	Arohan Financial Services Limited SR D 11 NCD 29JL23 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	32.73%	Complied
		Net NPA (PAR 90 less Provision)/Assets Under Management(refer note 2 below)	6.00%	0.00%	Complied
3	INE808K07147 (Listed and Secured)	Indian Bank_NCD	2,779.40 lakhs		
	Arohan Financial Services Limited SR B 11.50 NCD 10JL23 FVRS10LAC	Capital to risk assets ratio (CRAR)	20.00%	32.73%	Complied
		Portfolio at risk (PAR 90)/Gross Loan Portfolio (refer note 1 below)	6.00%	1.95%	Complied
		Operational Self Sufficiency Ratio (refer note 5 below)	1.10 times	1.10 times	Complied
		Total outside liability/Tangible Networth (refer note 7 below)	10 times	3.30 times	Complied
		Operating Cost Ratio (refer note 9 below)	15.00%	1.80%	Complied
		Cumulative ALM mismatch	As per the limits of RBI/Company's ALM Policy	The cumulative ALM is positive	Complied
4	INE808K08053 (Listed and Unsecured)	Northern Arc_NCD	3,485.18 lakhs		
	Arohan Financial Services Limited SR G 13.50 NCD 30SY25 FVRS10	Capital to risk assets ratio (CRAR)	15.00%	32.73%	Complied
		Gross NPA/Gross Loan Portfolio(refer note 11 below)	2.00%	1.71%	Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 13 below)	20.00%	0.00%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
5	INE808K08061 (Listed and Unsecured)	Karvy_NCD	2,667.58 lakhs		
	Arohan Financial Services Limited SR G 12.85 NCD 25OY26 FVRS10	Capital to risk assets ratio (CRAR)	15.00%	32.73%	Complied
		Gross NPA/Assets Under Management(refer note 14 below)	3.00%	1.71%	Complied

Notes:

- Portfolio at risk (PAR 90)/Gross Loan Portfolio- For calculating this ratio, PAR overdue for more than 90 Days has been considered as numerator and closing Gross Loan Portfolio as on June 30, 2023 as denominator.
- Net NPA(PAR 90 less Provision)/Assets Under Management - For calculating this ratio, Net NPA has been considered as numerator and closing Assets Under Management as on June 30, 2023 as denominator.
- (PAR 30 + restructured loans + net write off for last 12 months)/Gross Loan Portfolio- For calculating this ratio, portfolio overdue for more than 30 Days, restructured loans (including restructuring under RBI resolution framework dated 06 August 2020 & 05 May 2021) and net write off for last 12 months has been considered as numerator and closing Gross Loan Portfolio as on June 30, 2023 as denominator.
- (PAR 90 + restructured loans - Provision)/Tier 1 Capital - For calculating this ratio, AUM overdue for more than 90 days, restructured loans (including restructuring under RBI resolution framework dated 06 August 2020 & 05 May 2021) less NPA provision on owned Portfolio has been considered as numerator and Tier 1 capital as denominator.
- Operational Self Sufficiency Ratio - For calculating this ratio, the total revenue has been considered as numerator and total expenses for the quarter ended June 30, 2023 as denominator.
- Total outside liability/Tangible Networth- For calculating this ratio, total liability less total equity has been considered as numerator and total net worth less intangible assets (including ROU) as on June 30, 2023 as denominator.
- Return on Asset - For calculating this ratio, net income i.e. other comprehensive Income (OCI) has been considered as numerator and average total assets as denominator.
- Operating Cost Ratio - For calculating this ratio, the administration cost, depreciation and employee cost in the numerator and average AUM (June 30, 2023 and March 31, 2023) in the denominator.
- Net Foreign Currency/Equity - There are no such exposure as per the audited financial information as at June 30, 2023
- Gross NPA/Gross Loan Portfolio - For calculating this ratio, Gross NPA has been considered as numerator and closing Gross Loan Portfolio as on June 30, 2023 as denominator.
- Based on latest credit ratings available with the Company i.e. of quarter ended June 30, 2023
- Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on June 30, 2023 as denominator.
- Gross NPA/Assets Under Management - For calculating this ratio, Gross NPA has been considered as numerator and closing Assets Under Management as on June 30, 2023 as denominator.
- Gross Loan Portfolio = Assets Under Management

For Arohan Financials Services Limited
DEBARSHI CHAUDHURI
 Digitally signed by DEBARSHI CHAUDHURI
 Date: 2023.08.08 18:03:41 +05'30'
 Authorized Signatory
 Kolkata
 August 08, 2023