

Date: November 11, 2022

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

Scrip Code: 955550

Dear Sir/Madam,

Sub: Outcome of the Board Meeting dated November 11, 2022

Pursuant to Regulations 51 and 52 read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), as amended, the Board of Directors at its meeting held today, i.e. November 11, 2022, inter alia, considered and approved the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2022.

A copy of the 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 LODR Regulations are attached herewith.

Further, in pursuance of Regulation 23(9) of the SEBI LODR Regulations, 2015, please find attached herewith the List of Related Party Transactions for the Half Year ended September 30, 2022.

Further, the board has approved issuance of Compulsory Convertible Preference Share (CCPS) on a Private Placement Basis in one or more tranches, subject to the approval of the Shareholders of the Company;

Further, pursuant to Regulation 52(7) of the SEBI LODR Regulations 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures issued by the Company have been fully utilised for the purpose for which these proceeds were raised.

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

The above meeting of the Board of Directors commenced at 14:15 hours (I.S.T) and concluded at 16:45 hours (I.S.T).

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

Anirudh Singh G Thakur
Company Secretary & Compliance Officer
Membership No:13210

Encl: as above

CC: IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001

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 and half year ended September 30, 2022 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 and half year ended September 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 unaudited financial results of the Company for the corresponding quarter and half year ended September 30, 2021, was reviewed by another auditor whose report dated November 11, 2021 expressed an unmodified conclusion on those financial results. Our conclusion is not modified in respect of these matters.

For M S K A & Associates

ICAI Firm Registration Number: 105047W

Chartered Accountants

Tushar

Ramnijklal

Kurani

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Tushar Ramnijklal Kurani
Date: 2022.11.11
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Tushar Kurani

Partner

Membership Number: 118580

UDIN: 22118580BCUMMG8703

Mumbai

November 11, 2022

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter and half year ended 30 September 2022

Particulars	(₹ in lakhs)					
	Quarter ended			Half year ended		Year ended
	30 September 2022 (Unaudited)	30 June 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)
1 Revenue						
(a) Interest income	24,344.61	22,296.41	21,049.31	46,641.02	43,298.94	85,872.70
(b) Dividend income	-	-	-	-	-	3.50
(c) Fees and commission income	2,142.08	1,558.11	852.99	3,700.19	1,892.74	4,172.35
(d) Net gain on derecognition of financial instruments	1,051.71	358.81	-	1,410.52	-	-
(e) Others	13.93	21.07	21.92	35.00	56.23	124.02
Total revenue from operations	27,552.33	24,234.40	21,924.22	51,786.73	45,247.91	90,172.57
(f) Other income	369.65	436.12	647.81	805.77	1,376.28	1,870.03
Total revenue	27,921.98	24,670.52	22,572.03	52,592.50	46,624.19	92,042.60
2 Expenses						
(a) Finance costs	12,104.12	11,016.31	10,435.40	23,120.43	21,494.66	40,176.34
(b) Impairment on financial instruments	6,104.22	2,541.19	2,147.04	8,645.41	6,764.66	13,566.80
(c) Employee benefits expenses	5,497.34	5,739.93	5,636.75	11,237.27	10,544.30	21,039.10
(d) Depreciation and amortization expenses	111.84	125.53	155.35	237.37	304.24	586.07
(e) Other expenses	2,164.16	2,050.26	1,770.57	4,214.42	3,521.55	8,380.19
Total expenses	25,981.68	21,473.22	20,145.11	47,454.90	42,629.41	83,748.50
3 Profit/ (loss) before tax (1-2)	1,940.30	3,197.30	2,426.92	5,137.60	3,994.78	8,294.10
4 Tax expense						
(a) Current tax	(45.21)	301.22	(217.55)	256.01	1,265.86	8.93
(b) Deferred tax charge/ (credit)	287.83	564.22	929.83	852.05	(278.74)	2,178.62
(c) Tax expense for earlier years	-	-	-	-	-	11.52
5 Net Profit/ (loss) after tax (3-4)	1,697.68	2,331.86	1,714.64	4,029.54	3,007.66	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	(66.08)	(92.40)	(273.26)	(158.48)	(288.87)	(223.42)
(ii) Remeasurement of equity instruments through other comprehensive income	-	-	-	-	-	5.00
(iii) Income tax relating to items that will not be reclassified to profit or loss	16.63	23.26	68.77	39.89	72.70	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)	(49.45)	(69.14)	(204.49)	(118.59)	(216.17)	(163.02)
Total Comprehensive Income for the period/ year (5+6)	1,648.23	2,262.72	1,510.15	3,910.95	2,791.49	5,932.01
7 Paid-up equity share capital (Face value of ₹ 10 each)	12,117.73	12,017.73	12,017.73	12,117.73	12,017.73	12,017.73
8 Earning per equity share (not annualised)						
(a) Basic (In ₹)	1.41	1.94	1.47	3.35	2.57	5.07
(b) Diluted (In ₹)	1.41	1.93	1.46	3.35	2.56	5.05

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter and half year ended 30 September 2022
Balance Sheet

		(₹ in lakhs)	
Particulars		As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	36,644.69	95,362.92
	(b) Other bank balances	36,434.35	35,372.38
	(c) Trade receivables	969.47	200.59
	(d) Loans	4,08,238.55	3,71,019.93
	(e) Investments	5.00	5.00
	(f) Other financial assets	3,568.58	547.14
	Total financial assets	4,85,860.64	5,02,507.96
2	Non-financial assets		
	(a) Current tax assets (net)	6,894.22	4,820.31
	(b) Deferred tax assets (net)	12,961.36	13,773.52
	(c) Property, plant and equipment	407.01	400.71
	(d) Intangible assets under development	51.03	45.04
	(e) Other intangible assets	242.30	269.47
	(f) Right of use asset	519.57	393.43
	(g) Other non-financial assets	1,434.56	711.69
	Total non-financial assets	22,510.05	20,414.17
	TOTAL ASSETS	5,08,370.69	5,22,922.13
B	LIABILITIES AND EQUITY		
	Liabilities		
1	Financial liabilities		
	(a) Payables		
	(i) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(ii) Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(b) Debt securities	29,975.06	28,338.42
	(c) Borrowings (other than debt securities)	3,17,494.32	3,41,078.35
	(d) Subordinated liabilities	42,698.58	43,309.37
	(e) Others financial liabilities	7,339.67	3,675.95
	Total financial liabilities	3,97,507.63	4,16,402.09
2	Non-financial liabilities		
	(a) Provisions	2,183.28	2,099.70
	(b) Other non-financial liabilities	2,327.37	2,072.25
	Total non-financial liabilities	4,510.65	4,171.95
3	Equity		
	(a) Equity share capital	12,117.73	12,017.73
	(b) Other equity	94,234.68	90,330.36
	Total equity	1,06,352.41	1,02,348.09
	TOTAL LIABILITIES AND EQUITY	5,08,370.69	5,22,922.13

Arohan Financial Services Limited
Statement of unaudited financial results for the quarter and half year ended 30 September 2022
Cash Flow Statement

Particulars	(₹ in lakhs)	
	Period ended 30 September 2022 (Unaudited)	Period ended 30 September 2021 (Unaudited)
(A) Cash flows from operating activities		
Profit before tax	5,137.60	3,994.78
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	237.37	304.24
Interest on lease liability	29.55	27.95
Impairment on financial instruments & other financial assets	8,645.41	6,764.66
Interest income on unwinding of assigned portfolio	(1,470.39)	(296.53)
Expense on employee stock option scheme	87.72	194.78
Effective interest rate adjustment for financial instruments	1,261.97	(1,366.78)
Unwinding impact on security deposit	0.12	
Operating profit before working capital changes	13,929.35	9,623.10
Working capital adjustments		
<u>(Increase)/ decrease in assets</u>		
Loans	(45,864.03)	13,321.03
Trade receivables	(768.88)	(8.38)
Other bank balances	(1,061.97)	(5,231.92)
Other financial assets	(1,548.85)	842.76
Other non-financial assets	(725.19)	(331.24)
<u>Increase/ (decrease) in liabilities</u>		
Others financial liabilities	3,531.93	(1,251.83)
Provisions	(74.90)	314.64
Other non-financial liabilities	255.12	(200.76)
Cash generated from operating activities	(32,327.42)	17,077.40
Income taxes paid (net of refunds)	(2,329.92)	(2,241.74)
Net cash generated from operating activities (A)	(34,657.34)	14,835.66
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(88.33)	(48.31)
Purchase of intangible assets and intangible assets under development	(54.25)	(39.99)
Proceeds from sale of property, plant and equipment	(0.24)	2.65
Net cash used in investing activities (B)	(142.82)	(85.65)
(C) Cash flows from financing activities		
Proceeds from issue of equity shares including premium	5.65	124.05
Proceeds from debt securities	11,500.00	-
Repayment of debt securities	(9,760.00)	(17,260.00)
Proceeds from borrowings (other than debt securities)	2,24,605.20	2,17,056.22
Repayment of borrowings (other than debt securities)	(2,49,165.34)	(2,58,080.70)
Proceeds from subordinated liabilities	-	2,472.75
Repayment of subordinated liabilities	(1,000.00)	-
Payment of lease liabilities	(103.58)	(125.23)
Net cash generated/ (used in) financing activities (C)	(23,918.07)	(55,812.91)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(58,718.23)	(41,062.90)
Cash and cash equivalents as at the beginning of the year	95,362.92	1,15,801.75
Cash and cash equivalents as at the end of the period	36,644.69	74,738.85
Components of cash and cash equivalents:		
Cash on hand	136.20	151.87
Balances and deposits with banks	36,508.49	74,586.98
Cash and cash equivalents considered for cash flow	36,644.69	74,738.85

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 November 10, 2022 and November 11, 2022 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, 2022, quarter and half year ended September 30, 2022 and year ended 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 and half year ended September 30, 2021 were reviewed by Walker Chandok & Co LLP, Chartered Accountants, on which they had issued unmodified opinion.
- 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.
- 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 had allowed NBFC's to implement the same by September 30, 2022 which the Company has implemented for regulatory reporting as applicable. Such change has no impact on the financial results for the quarter and half year ended September 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".
- Details of loan transferred/ acquired during the half year ended September 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:
 - Details of loan transfer through direct assignment transaction in respect of loans not in default for the half year ended September 30, 2022:

Particulars	To Banks/ NBFC's
Number of loans	1,24,634
Aggregate amount of loans transferred (₹ in lakhs)	24,602.91
Sale Consideration (₹ in lakhs)	24,602.91
Weighted average residual maturity (in months) (*)	13.91
Weighted average holding period by the originator (in months)	8.34
Retention of beneficial economic interest by the originator	8.54% to 15.90%
Tangible security coverage	-
Rating-wise distribution of rated loans	-
Number of instances where it has agreed to replace loans transferred to transferee(s)	-
Number of instances where it has agreed to pay damages arising out of any representation or warranty	-

(*) residual maturity from the time of transfer

(ii) The Company has not transferred/ acquired any stressed loans during the half year ended September 30, 2022.

(iii) The Company has not acquired loans not in default during the half year ended September 30, 2022.

- During the period to relieve COVID-19 pandemic related stress, the Company had invoked and implemented resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021.

(in lakhs)

Type of borrower	A	B	C	D	E
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. September 30, 2022
Personal Loans	-	-	-	-	-
Corporate persons (*)	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others (**)	1,14,159.29	4,508.74	81.49	44,158.79	65,410.27
Total	1,14,159.29	4,508.74	81.49	44,158.79	65,410.27

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

(**) represents microfinance loans to customer

Under Covid Resolution 1.0 and 2.0, 6,48,491 and 5,42,934 number of borrower accounts respectively were sanctioned for modification and implemented whose aggregate exposure as on September 30, 2022 is ₹7,781.05 lakhs and ₹71,287.78 lakhs respectively.

Under covid resolution 1.0, 336 number of MSME borrower accounts were sanction for modification and implemented whose aggregate exposure as on September 30, 2022 is ₹471.09 lakhs.

- 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.
- 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 Company has allotted 10,00,000 equity shares of ₹10 each to Arohan ESOP Trust at a price of ₹153.94 (including securities premium of ₹143.94 per share) aggregating to ₹1,539.40 Lakhs.
- 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 Digitally signed by MANOJ KUMAR
inlay@avn.namde
NARAYAN NAMBIAR Date: 2022.11.11 14:40:04 +05'30'

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 11 November 2022

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

Arohan Financial Services Limited

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

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.67
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⁾	92,466.34
H	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	1,697.68
	(ii) For half year ended	4,029.54
I	Earnings per share (in ₹)	
	(i) Basic :	
	Quarter ended	1.41
	Half year ended	3.35
	(ii) Diluted :	
	Quarter ended	1.41
	Half year ended	3.35
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⁾	76.75%
O	Debtors turnover ⁽⁷⁾	Not Applicable
P	Inventory turnover ⁽⁷⁾	Not Applicable
Q	Operating margin (%) ⁽⁷⁾	Not Applicable
R	Net profit margin (%) ⁽⁶⁾	
	(i) For the quarter ended	6.08%
	(ii) For the half year ended	7.66%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁸⁾	26.57%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	3.09%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.79%

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)
- * Refer note 5 of financial result.

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

MANOJ KUMAR Digitally signed by MANOJ KUMAR
NARAYAN NAMBIAR NARAYAN NAMBIAR
Date: 2022.11.11 14:40:37 +05'30'

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: 11 November 2022

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

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

Independent Auditor's Report on maintenance of security cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Arohan Financial Services Limited as at September 30, 2022.

1. This report is issued in accordance with the terms of our Mandate Letter dated November 10, 2022.
2. The accompanying Statement of compliance showing Security Cover as per the terms of offer document/ Information Memorandum and/ or Debenture Trust Deed and compliance with Financial Covenants' for listed Secured Non-Convertible Debentures (NCD's) issued by the Arohan Financial Services Limited ("the Company") which were outstanding as at September 30, 2022 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to the IDBI Trusteeship Services Limited (the "Debenture Trustee"), as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed as at September 30, 2022, in accordance with terms of Securities And Exchange Board Of India (the "SEBI") Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and SEBI/ HO/ MIRSD/ MIRSD/ CRADT/ CIR/ P/ 2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular') and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

Management's Responsibility

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

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations and SEBI Circular, it is our responsibility to provide a limited assurance and form an conclusion as to whether, based on our examination of the unaudited books and records of the Company as at and for the half year ended September 30, 2022, the Company is in compliance with maintenance of the security cover including the compliance with all the Financial covenants as mentioned in the Debenture Trust Deed.
7. We have planned and performed the following procedures :
 - a. Traced and agreed the principal amount of the listed NCDs outstanding as at September 30, 2022 on test check basis;
 - b. Verified the security cover details as per the Debenture Trust Deed/ Information Memorandum and the unaudited books and records of the Company on test check basis;
 - c. arithmetically re-computed the security cover ratio as computed in the Statement;
 - d. Verified the charge creation forms filed with the Ministry of Corporate Affairs on test check basis;
 - e. Verified the covenants on test check basis as per the Debenture Trust Deed/Information Memorandum and the term sheet of NCD's issued by the Company; and
 - f. Obtained written representations from the Management in this regard.
8. The books and records referred to in paragraph 6 above are subject to audit pursuant to the requirements of the Companies Act, 2013.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We conducted our examination of the Statement, on a test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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.

Observation

12. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured'), with ISIN INE808K07246, PAR 30+restructured loan+ net write off of 12months/AUM of the Company, should not exceed 10%, however ratio of the Company as at September 30, 2022 is 24.24%.

MSKA & Associates

Chartered Accountants

13. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured'), with ISIN INE808K07246, PAR 90 +restructured loans-provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at September 30, 2022 is 82.37%.
14. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured'), with ISIN INE808K08053, Gross NPA/On Balance sheet portfolio (pre provision) of the Company, should not exceed 2%, however ratio of the Company as at September 30, 2022 is 3.12%.
15. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured'), with ISIN INE808K08061, Gross NPA/On Balance sheet portfolio (pre provision) of the Company, should not exceed 3%, however ratio of the Company as at September 30, 2022 is 3.12%.

Conclusion

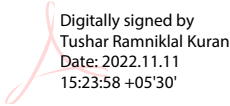
16. Based on our examination and procedures performed by us as mentioned in para 7 above and to the best of our knowledge and according to the information, explanations and representation given to us and subject to the observations mentioned in para 12,13,14 and 15 above, in our opinion, nothing has come to our attention that causes us to believe that the book value of assets charged against the listed NCDs issued by the Company mentioned in the accompanying Statement are not in agreement with the unaudited books and records maintained by the Company as at September 30, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

Restriction on Use

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

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

Tushar
Ramniklal
Kurani



Digitally signed by
Tushar Ramniklal Kurani
Date: 2022.11.11
15:23:58 +05'30'

Tushar Kurani
Partner
Membership No. 118580
UDIN: 22118580BCUQZN6829

Mumbai
November 11, 2022

Arohan Financial Services Limited
Asset coverage ratio as on 30 September 2022

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Eliminati on (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)	Market Value for Assets charged on Exclusive basis			Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L +M+ N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value	Relating to Column F							
ASSETS														
Property, Plant and Equipment		-	-	No	-	-	407.01	-	407.01	-	-	-	-	-
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	519.57	-	519.57	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	242.30	-	242.30	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	51.03	-	51.03	-	-	-	-	-
Investments		-	-	No	-	-	5.00	-	5.00	-	-	-	-	-
Loans (*)	Book debt receivables	32,755.49	(**) 2,98,603.87	No	-	-	76,879.17	-	4,08,238.55	-	32,755.49	-	-	32,755.49
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	969.47	-	969.47	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	36,644.69	-	36,644.69	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		194.61	35,710.83	No	-	-	528.92	-	36,434.35	-	194.61	-	-	194.61
Others		-	-	No	-	-	24,858.72	-	24,858.72	-	-	-	-	-
Total		32,950.10	3,34,314.71	-	-	-	1,41,105.88	-	5,08,370.69	-	32,950.10	-	-	32,950.10
LIABILITIES														
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	29,975.06	-	No	-	-	-	-	29,975.06	-	29,975.06	-	-	29,975.06
Other debt sharing pari-passu charge with above debt				No	-	-	-	-	-	-	-	-	-	-
Other Debt				No	-	-	-	-	-	-	-	-	-	-
Subordinated debt (*)	Not to be filled			No	-	-	42,698.58	-	42,698.58	-	-	-	-	-
Borrowings from Bank & FIs (*)			2,70,854.91	No	-	-	46,639.41	-	3,17,494.32	-	-	-	-	-
Debt Securities				No	-	-	-	-	-	-	-	-	-	-
Others				No	-	-	-	-	-	-	-	-	-	-
Trade payables				No	-	-	-	-	-	-	-	-	-	-
Lease Liabilities				No	-	-	582.61	-	582.61	-	-	-	-	-
Provisions				No	-	-	2,183.28	-	2,183.28	-	-	-	-	-
Others				No	-	-	9,084.43	-	9,084.43	-	-	-	-	-
Total		29,975.06	2,70,854.91	-	-	-	1,01,188.31	-	4,02,018.28	-	29,975.06	-	-	29,975.06
Cover on Book Value		1.10												1.10
Cover on Market Value^x		NA												

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

(**) Does not include an asset coverage on borrowings of Rs. 46,639.41 lakhs which were drawn at end of September 2022 for which charge creation is under progress.

For Arohan Financial Services Limited

debarshi chaudhuri

Digitally signed by debarshi chaudhuri
Date: 2022.11.11 14:59:41 +05'30'

Authorised Signatory

Place: Kolkata

Date: November 11, 2022

Arohan Financial Services Limited

Details of covenants criteria as per Information Memorandum (IM) and/or debenture trust deeds and the Company's compliance with such covenants as at 30th September 2022

Sl. No	Description of Non-Coverable Debenture	Description of loan Covenants	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status
1	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC (INE808K07246)	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		(PAR 30+restructured loan+ net write off of 12months)/AUM (refer note 5 below)	10.00%	24.24%	Not Complied
		(PAR 90+restructured loans-provision)/Tier 1 (refer note 6 below)	10.00%	82.37%	Not Complied
		Return on Assets (ROA) (refer note 10 below)	> 0%	0.76%	Complied
		Net Foreign Currency / Equity (refer note 12 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	Arohan Financial Services Limited SR D 11 NCD 29JL23 FVRS10LAC	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		Net NPA (PAR 90 less Provision)/AUM (refer note 3 below)	6.00%	1.08%	Complied
		Credit Rating	BBB	A-	Complied
3	Arohan Financial Services Limited Series A 11 NCD 16JU23 FVRS10LAC (INE808K07139)	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		Net NPA (PAR 90 less Provision)/AUM (refer note 3 below)	6.00%	1.08%	Complied
4	Arohan Financial Services Limited SR B 11.50 NCD 10JL23 FVRS10LAC (INE808K07147)	Capital to risk assets ratio (CRAR)	20.00%	26.57%	Complied
		Portfolio at risk (PAR 90) (refer note 1 below)	6.00%	3.33%	Complied
		Operational Self Sufficiency Ratio (refer note 7 below)	1.10 times	1.11 times	Complied
		Debt Equity Ratio (refer note 8 below)	6 times	3.67 times	Complied
		Total outside liability/Tangible Networth (refer note 9 below)	10 times	4.34 times	Complied
		Operating Cost Ratio (refer note 11 below)	15.00%	3.56%	Complied
		Credit Rating ##	A-	A-	Complied
Cumulative ALM mismatch	As per the limits of RBI/Company's ALM Policy	The cumulative ALM is positive	Complied		
5	Arohan Financial Services Limited SR G 13.50 NCD 30SY25 FVRS10 (INE808K08053)	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	2.00%	3.12%	Not Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 3 below)	20.00%	4.75%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
6	Arohan Financial Services Limited SR G 12.85 NCD 25OY26 FVRS10 (INE808K08061)	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	3.00%	3.12%	Not Complied

Based on latest credit ratings available with the Company i.e. of period ended 30th September 2022

Notes:

- 1 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 30 September 2022 as denominator.
- 2 (PAR 90 + Restructured Loans less provision)/AUM - For calculating this ratio, AUM overdue for more than 90 days less gross loan provisions booked on owned Portfolio has been considered as numerator and closing AUM as on 30 September 2022 as denominator.
- 3 Net NPA/AUM - For calculating this ratio, Net NPA has been considered as numerator and closing AUM as on 30 September 2022 as denominator.
- 4 (PAR 90 less provision)/TNW - 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 as on 30 September 2022 as denominator.
- 5 (PAR 30 + restructured loans + net write off for last 12 months)/AUM - 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 AUM as on 30 September 2022 as denominator.
- 6 (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.
- 7 Operational Self Sufficiency Ratio - For calculating this ratio, the total revenue has been considered as numerator and total expenses for the year ended 30 September 2022 as denominator.
- 8 Debt - Equity Ratio - For calculating this ratio, total borrowings has been considered as numerator and total equity as denominator.
- 9 Total outside liability/Tangible Network- 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 30 September 2022 as denominator.
- 10 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.
- 11 Operating Cost Ratio - For calculating this ratio, the administration cost, finance cost, depreciation and employee cost in the numerator and average AUM (31 March 2022 and 30 September 2022) in the denominator.
- 12 Net Foreign Currency/Equity - There are no such exposure as per the unaudited financial information as at September 30, 2022
- 13 Gross NPA/AUM - For calculating this ratio, Gross NPA has been considered as numerator and closing On Balance sheet portfolio as on 30 September 2022 as denominator.
- 14 Net NPA/Networth - For calculating this ratio, Net NPA has been considered as numerator and Networth as on 30 September 2022 as denominator.
- 15 Portfolio at risk (PAR 30) - For calculating this ratio, Assets under management (AUM) overdue for more than 30 Days has been considered as numerator & closing outstanding AUM as at 30 September 2022 as denominator.
- 16 (PAR 30 + Non Covid restructured loans + net write off for last 12 months)/AUM - 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 AUM as on 30 September 2022 as denominator.

For Arohan Financial Services Limited

debarshi
chaudhuri

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chaudhuri
Date: 2022.11.11 15:00:19 +05'30'

Authorised Signatory

Place: Kolkata

Date: November 11, 2022

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

Independent Auditor's Report on maintenance of security cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Arohan Financial Services Limited as at September 30, 2022.

1. This report is issued in accordance with the terms of our Mandate Letter dated November 10, 2022.
2. The accompanying Statement of compliance showing Security Cover as per the terms of offer document/ Information Memorandum and/ or Debenture Trust Deed and compliance with Financial Covenants' for listed Secured Non-Convertible Debentures (NCD's) issued by the Arohan Financial Services Limited ("the Company") which were outstanding as at September 30, 2022 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to the Catalyst Trusteeship Limited (the "Debenture Trustee"), as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed as at September 30, 2022, in accordance with terms of Securities And Exchange Board Of India (the "SEBI") Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and SEBI/ HO/ MIRSD/ MIRSD/ CRADT/ CIR/ P/ 2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

Management's Responsibility

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

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations and SEBI Circular, it is our responsibility to provide a limited assurance and form an conclusion as to whether, based on our examination of the unaudited books and records of the Company as at and for the half year ended September 30, 2022, the Company is in compliance with maintenance of the security cover including the compliance with all the Financial covenants as mentioned in the Debenture Trust Deed.
7. We have planned and performed the following procedures :
 - a. Traced and agreed the principal amount of the listed NCDs outstanding as at September 30, 2022 on test check basis;
 - b. Verified the security cover details as per the Debenture Trust Deed/ Information Memorandum and the unaudited books and records of the Company on test check basis;
 - c. arithmetically re-computed the security cover ratio as computed in the Statement;
 - d. Verified the charge creation forms filed with the Ministry of Corporate Affairs on test check basis;
 - e. Verified the covenants on test check basis as per the Debenture Trust Deed/Information Memorandum and the term sheet of NCD's issued by the Company; and
 - f. Obtained written representations from the Management in this regard.
8. The books and records referred to in paragraph 6 above are subject to audit pursuant to the requirements of the Companies Act, 2013.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We conducted our examination of the Statement, on a test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
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.

Observation

12. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured'), with ISIN INE808K07261, PAR 90 +restructured loans-provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at September 30, 2022 is 82.37%.

MSKA & Associates

Chartered Accountants

13. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured'), with ISIN INE808K07253, PAR 90 less provision/AUM of the Company, should not exceed 5%, however ratio of the Company as at September 30, 2022 is 12.97%.
14. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured'), with ISIN INE808K07253, PAR 90 less provision/Tangible Networth of the Company, should not exceed 25%, however ratio of the Company as at September 30, 2022 is 65.82%.
15. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured'), with ISIN INE808K08046, Gross NPA/On Balance sheet portfolio (pre provision) of the Company, should not exceed 2%, however ratio of the Company as at September 30, 2022 is 3.12%.

Conclusion

16. Based on our examination and procedures performed by us as mentioned in para 7 above and to the best of our knowledge and according to the information, explanations and representation given to us and subject to the observations mentioned in para 12,13,14 and 15 above, in our opinion, nothing has come to our attention that causes us to believe that the book value of assets charged against the listed NCDs issued by the Company mentioned in the accompanying Statement are not in agreement with the unaudited books and records maintained by the Company as at September 30, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

Restriction on Use

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Tushar

Ramnijklal

Kurani

Tushar Kurani

Partner

Membership No. 118580

UDIN: 22118580BCUPVZ7818

Digitally signed by
Tushar Ramnijklal Kurani
Date: 2022.11.11
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Mumbai

November 11, 2022

Arohan Financial Services Limited
Asset coverage ratio as on 30 September 2022

Column A	Column B	Column C (i)	Column D (ii)	Column E (iii)	Column F (iv)	Column G (v)	Column H (vi)	Column I (vii)	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Eliminati on (amount in negative) debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	Market Value for Assets charged on Exclusive basis			Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L +M+ N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value	Relating to Column F							
ASSETS														
Property, Plant and Equipment		-	-	No	-	-	407.01	-	407.01	-	-	-	-	-
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	519.57	-	519.57	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	242.30	-	242.30	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	51.03	-	51.03	-	-	-	-	-
Investments		-	-	No	-	-	5.00	-	5.00	-	-	-	-	-
Loans (*)	Book debt receivables	32,755.49	(**) 2,98,603.87	No	-	-	76,879.17	-	4,08,238.55	-	32,755.49	-	-	32,755.49
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	969.47	-	969.47	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	36,644.69	-	36,644.69	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		194.61	35,710.83	No	-	-	528.92	-	36,434.35	-	194.61	-	-	194.61
Others		-	-	No	-	-	24,858.72	-	24,858.72	-	-	-	-	-
Total		32,950.10	3,34,314.71	-	-	-	1,41,105.88	-	5,08,370.69	-	32,950.10	-	-	32,950.10
LIABILITIES														
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	29,975.06	-	No	-	-	-	-	29,975.06	-	29,975.06	-	-	29,975.06
Other debt sharing pari-passu charge with above debt				No	-	-	-	-	-	-	-	-	-	-
Other Debt				No	-	-	-	-	-	-	-	-	-	-
Subordinated debt (*)	Not to be filled			No	-	-	42,698.58	-	42,698.58	-	-	-	-	-
Borrowings from Bank & FIs (*)			2,70,854.91	No	-	-	46,639.41	-	3,17,494.32	-	-	-	-	-
Debt Securities				No	-	-	-	-	-	-	-	-	-	-
Others				No	-	-	-	-	-	-	-	-	-	-
Trade payables				No	-	-	-	-	-	-	-	-	-	-
Lease Liabilities				No	-	-	582.61	-	582.61	-	-	-	-	-
Provisions				No	-	-	2,183.28	-	2,183.28	-	-	-	-	-
Others				No	-	-	9,084.43	-	9,084.43	-	-	-	-	-
Total		29,975.06	2,70,854.91	-	-	-	1,01,188.31	-	4,02,018.28	-	29,975.06	-	-	29,975.06
Cover on Book Value		1.10												1.10
Cover on Market Value^x		NA												

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

(**) Does not include an asset coverage on borrowings of Rs. 46,639.41 lakhs which were drawn at end of September 2022 for which charge creation is under progress.

For Arohan Financial Services Limited

debarshi chaudhuri

Digitally signed by debarshi chaudhuri

Date: 2022.11.11 15:26:33 +05'30'

Authorised Signatory

Place: Kolkata

Date: November 11, 2022

Arohan Financial Services Limited
Details of covenants criteria as per Information Memorandum (IM) and/or debenture trust deeds and the Company's compliance with such covenants as at 30th September 2022

Sl. 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	Arohan Financial Services Limited SR H 11.4000 NCD 14JU24 FVRS10LAC (INE808K07261)	Capital to risk assets ratio (CRAR)	16.00%	26.57%	Complied
		(PAR 30+Non Covid restructured loan+ net write off of 12months)/AUM (refer note 16 below)	26.00%	18.01%	Complied
		(PAR 90+restructured loans-provision)/Tier 1 (refer note 6 below)	10.00%	82.37%	Not Complied
		Return on Assets (ROA) (refer note 10 below)	> 0%	0.76%	Complied
		Net Foreign Currency / Equity (refer note 12 below)	50.00%	0.00%	Complied
		Aggregate Exposure (Affiliates, subsidiary & related party)/ Total Capital	15.00%	0.00%	Complied
2	Arohan Financial Services Limited SR G 13.65 NCD (INE808K08079)	Capital to risk assets ratio (CRAR)	18.00%	26.57%	Complied
		Financial indebtness/Net Worth	<=5.5	3.67	Complied
		Gross NPA(for more than 90 days)/On Book Loan Loan portfolio	<5%	3.12%	Complied
		PAT	Positive	Positive	Complied
		Pre-provisioning operating profit	>300,00,00,000	Applicable from 31st March 2023	
3	Arohan Financial Services Limited SR G 13.50 NCD 28AY25 FVRS10LAC (INE808K08046)	Capital to risk assets ratio (CRAR)	15.00%	26.57%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	2.00%	3.12%	Not Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 14 below)	20.00%	4.75%	Complied
		Net profit	Positive Net profit to be maintained by the company	Positive Net profit in books	Complied
4	Arohan Financial Services Limited 9.54 NCD 30MR25 FVRS10LAC (INE808K07253)	Capital to risk assets ratio (CRAR)	17.00%	26.57%	Complied
		(PAR 90 less provision)/AUM (refer note 2 below)	5.00%	12.97%	Not Complied
		(PAR 90 less provision)/Tangible Networth (refer note 4 below)	25.00%	65.82%	Not 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

Based on latest credit ratings available with the Company i.e. of period ended 30th September 2022

Notes:

- 1 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 30 September 2022 as denominator.
- 2 (PAR 90 + Restructured Loans less provision)/AUM - For calculating this ratio, AUM overdue for more than 90 days less gross loan provisions booked on owned Portfolio has been considered as numerator and closing AUM as on 30 September 2022 as denominator.
- 3 Net NPA/AUM - For calculating this ratio, Net NPA has been considered as numerator and closing AUM as on 30 September 2022 as denominator.
- 4 (PAR 90 less provision)/TNW - 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 as on 30 September 2022 as denominator.
- 5 (PAR 30 + restructured loans + net write off for last 12 months)/AUM - 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 AUM as on 30 September 2022 as denominator.
- 6 (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.
- 7 Operational Self Sufficiency Ratio - For calculating this ratio, the total revenue has been considered as numerator and total expenses for the year ended 30 September 2022 as denominator.
- 8 Debt - Equity Ratio - For calculating this ratio, total borrowings has been considered as numerator and total equity as denominator.
- 9 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 30 September 2022 as denominator.
- 10 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.
- 11 Operating Cost Ratio - For calculating this ratio, the administration cost, finance cost, depreciation and employee cost in the numerator and average AUM (31 March 2022 and 30 September 2022) in the denominator.
- 12 Net Foreign Currency/Equity - There are no such exposure as per the unaudited financial information as at September 30, 2022
- 13 Gross NPA/AUM - For calculating this ratio, Gross NPA has been considered as numerator and closing On Balance sheet portfolio as on 30 September 2022 as denominator.
- 14 Net NPA/Networth - For calculating this ratio, Net NPA has been considered as numerator and Networth as on 30 September 2022 as denominator.
- 15 Portfolio at risk (PAR 30) - For calculating this ratio, Assets under management (AUM) overdue for more than 30 Days has been considered as numerator & closing outstanding AUM as at 30 September 2022 as denominator.
- 16 (PAR 30 + Non Covid restructured loans + net write off for last 12 months)/AUM - 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 AUM as on 30 September 2022 as denominator.

For Arohan Financial Services Limited

debarshi
chaudhuri

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chaudhuri
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Authorised Signatory

Place: Kolkata

Date: November 11, 2022

Disclosure on Related Party Transactions for the Half Year ended September 30, 2022

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

1	Arohan Financial Services Limited	AAE CA6 121D	Manoj Kumar Narayan Nambiar	AAAPN 7851Q	Key Management Personnel of the listed entity or parent	Remuneration		143	0	0							
2	Arohan Financial Services Limited	AAE CA6 121D	Milind R Nare	AALPN 4055H	Key Management Personnel of the listed entity or parent	Remuneration		73.47	0	0							
3	Arohan Financial Services Limited	AAE CA6 121D	Ranjan Das	ADBPD 0545R	Key Management Personnel of the listed entity or parent	Remuneration		45.12	0	0							
4	Arohan Financial Services Limited	AAE CA6 121D	Bharath Sondur	AKWPS 8853P	Key Management Personnel of the listed entity or parent	Remuneration		48.79	0	0							

5	Arohan Financial Services Limited	AAE CA6 121D	Anirudh Singh G. Thakur	ACIPT3 974C	Key Management Personnel of the listed entity or parent	Remuneration	52.76	0	0								
6	Arohan Financial Services Limited	AAE CA6 121D	Dinesh Kumar Mittal	ABWP M4165 B	Director	Sittings Fees	1.60	-25	0								
7	Arohan Financial Services Limited	AAE CA6 121D	Matangi Gowrishankar	AAGPG 8973J	Director	Sittings Fees	2.80	-15	0								
8	Arohan Financial Services Limited	AAE CA6 121D	Rajat Mohan Nag	AJOPN 2511Q	Director	Sittings Fees	2.80	-10	0								
9	Arohan Financial Services Limited	AAE CA6 121D	Sumantra Banerjee	AACP B 4480B	Director	Sittings Fees	3.20	-10	0								
10	Arohan Financial Services Limited	AAE CA6 121D	Intellecta Advisory Services Private Limited	AAACI9 481Q	Entities having common director	Business Support Fees	6.22	-0.94	-0.35								

11	Arohan Financial Services Limited	AAE CA6 121D	Ashv Finance Limited	AAACJ 5946P	Entities having common director	Reimbursement of Income and Business Support fees		11.25	-3.28	-6.67								
12	Arohan Financial Services Limited	AAE CA6 121D	Aavishkar Venture Management Services Private Limited	AAHCA 2694L	Entities having common director	Business Support fees		12.05	-17.75	-32.27								
13	Arohan Financial Services Limited	AAE CA6 121D	Shivalik Small Finance Bank	ABDCS 9427Q	Entities having common director	Interest received		16.60	0	16.60								
14	Arohan Financial Services Limited	AAE CA6 121D	Commission to Director(Provision Amount)	-	Commission to Director(Provision Amount)	Commission To Directors		50.00	0	0								
Total								469.66										

For Arohan Financial Services Limited

Anirudh Singh G Thakur
Company Secretary & Compliance Officer
Membership No:13210

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	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	INE808K08046	Private Placement	Non Convertible Debentures (NC D)	March 29, 2018	65,00,00,000	65,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K08053	Private Placement	Non Convertible Debentures (NC D)	August 14, 2018	35,00,00,000	35,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K08061	Private Placement	Non Convertible Debentures (NC D)	October 25, 2019	25,00,00,000	25,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K07139	Private Placement	Non Convertible Debentures (NC D)	June 19, 2020	25,00,00,000	25,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K07147	Private Placement	Non Convertible Debentures (NC D)	July 10, 2020	25,00,00,000	25,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K07162	Private Placement	Non Convertible Debentures (NC D)	July 29, 2020	25,00,00,000	25,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K07246	Private Placement	Non Convertible Debentures (NC D)	December 14, 2020	65,00,00,000	65,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K08079	Private Placement	Non Convertible Debentures (NC D)	March 31, 2022	2,00,00,000	2,00,00,000	No	NA	NA
Arohan Financial Services Limited	INE808K07261	Private Placement	Non Convertible Debentures (NC D)	June 29, 2022	1,15,00,000	1,15,00,000	No	NA	NA

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

Particulars	Remarks					
Name of listed entity	Arohan Financial Services Limited					
Mode of fund raising	Private placement					
Type of instrument	Non-convertible Securities					
Date of raising funds	March 29, 2018 August 14, 2018 October 25, 2019 June 19, 2020 July 10, 2020 July 29, 2020 December 14, 2020 March 31, 2022 June 29, 2022					
Amount raised	INR 580 crore					
Report filed for quarter ended	September 30, 2022					
Is there a deviation/ variation in use of funds raised?	No					
Whether any approval is required to vary the objects of the issued in the prospectus/ offer document?	No					
If yes, details of the approval so required?	NA					
Date of approval	NA					
Explanation for the deviation/ variation	NA					
Comments of the audit committee after review	No Comments					
Comments of the auditors, if any	No Comments					
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:						
Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
The fund raised will be utilized inter alia for funding the working capital of the company.	NA	5,80,00,00,000	NA	5,80,00,00,000	NA	No Deviations
Deviation could mean:						
a. Deviation in the objects or purposes for which the funds have been raised.						
b. Deviation in the amount of funds actually utilized as against what was originally disclosed.						
Name of signatory: Anirudh Singh G. Thakur						
Designation: Company Secretary and Compliance Officer						
Date: 11-11-2022						