

Date: February 14, 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 dated February 14, 2023

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. February 14, 2023, inter alia, considered and approved the Unaudited Financial Results of the Company for the Quarter and Nine months ended December 31, 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, the Board has ratified the re-appointment of Mr. Dinesh Kumar Mittal as the Chairman, Independent and Non- Executive Director of the Company w.e.f May 15, 2023 subject to the approval of shareholders.

Further, pursuant to Regulation 52(7) & 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we hereby enclose –

- A) Statement indicating utilization of issue proceeds and
- B) Statement of deviation/ variation in use of issue proceeds.

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 17:15 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
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 nine months ended December 31, 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 nine months ended December 31, 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').
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.

For M S K A & Associates

ICAI Firm Registration Number: 105047W

Chartered Accountants

**Tushar
Ramniklal
Kurani**

Digitally signed by
Tushar Ramniklal
Kurani
Date: 2023.02.14
14:53:04 +05'30'

Tushar Kurani

Partner

Membership Number: 118580

UDIN: 23118580BGXROR1706

Mumbai

February 14, 2023

Arohan Financial Services Limited						
Statement of unaudited financial results for the quarter and nine month ended 31 December 2022						
Particulars	(₹ in lakhs)					
	Quarter ended			Nine month ended		Year ended
	31 December 2022 (Unaudited)	30 September 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 March 2022 (Audited)
1 Revenue						
(a) Interest income	20,646.97	24,344.61	21,654.79	67,287.99	64,953.73	85,872.70
(b) Dividend income	-	-	3.50	-	3.50	3.50
(c) Fees and commission income	2,646.83	2,142.08	1,198.39	6,347.02	3,091.13	4,172.35
(d) Net gain on derecognition of financial instruments	394.91	1,051.71	-	1,805.43	-	-
(e) Others	14.10	13.93	42.98	49.10	99.21	124.02
Total revenue from operations	23,702.81	27,552.33	22,899.66	75,489.54	68,147.57	90,172.57
(f) Other income	492.71	369.65	309.38	1,298.48	1,685.66	1,870.03
Total revenue	24,195.52	27,921.98	23,209.04	76,788.02	69,833.23	92,042.60
2 Expenses						
(a) Finance costs	11,877.69	12,104.12	9,706.46	34,998.12	31,201.12	40,176.34
(b) Impairment on financial instruments	2,419.41	6,104.22	3,835.16	11,064.82	10,599.82	13,566.80
(c) Employee benefits expenses	6,420.71	5,497.34	5,315.53	17,657.98	15,859.83	21,039.10
(d) Depreciation and amortization expenses	118.37	111.84	146.68	355.74	450.92	586.07
(e) Other expenses	2,280.09	2,164.16	1,894.93	6,494.51	5,416.48	8,380.19
Total expenses	23,116.27	25,981.68	20,898.76	70,571.17	63,528.17	83,748.50
3 Profit/ (loss) before tax (1-2)	1,079.25	1,940.30	2,310.28	6,216.85	6,305.06	8,294.10
4 Tax expense						
(a) Current tax	(185.71)	(45.21)	(1,265.86)	70.30	-	8.93
(b) Deferred tax charge	517.65	287.83	1,924.17	1,369.70	1,645.43	2,178.62
(c) Tax provision for earlier years	(132.39)	-	-	(132.39)	-	11.52
5 Net Profit after tax (3-4)	879.70	1,697.68	1,651.97	4,909.24	4,659.63	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	(98.70)	(66.08)	(148.82)	(257.18)	(437.69)	(223.42)
(ii) Remeasurement of equity instruments through other comprehensive income	-	-	3.32	-	3.32	5.00
(iii) Income tax relating to items that will not be reclassified to profit or loss	24.84	16.63	36.62	64.73	109.32	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)	(73.86)	(49.45)	(108.88)	(192.45)	(325.05)	(163.02)
Total Comprehensive Income for the period/ year (5+6)	805.84	1,648.23	1,543.09	4,716.79	4,334.58	5,932.01
7 Paid-up equity share capital (Face value of ₹ 10 each)	12,117.73	12,117.73	12,017.73	12,117.73	12,017.73	12,017.73
8 Earning per equity share (not annualised)						
(a) Basic (In ₹)	0.75	1.41	1.41	4.20	3.99	5.07
(b) Diluted (In ₹)	0.74	1.41	1.41	4.15	3.97	5.05

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 February 13, 2023 and February 14, 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 the quarter and nine month ended December 31, 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.
- 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.
- The Company has followed the same significant accounting policies in the preparation of the financial results as those followed in the annual financials statement for the year ended March 31, 2022.
- Details of loan transferred/ acquired during the nine month ended December 31, 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 nine month ended December 31, 2022:

Particulars	To Banks/ NBFC's
Number of loans	1,65,026
Aggregate amount of loans transferred (₹ in lakhs)	33,099.17
Sale Consideration (₹ in lakhs)	33,099.17
Weighted average residual maturity (in months) (*)	13.71
Weighted average holding period by the originator (in months)	7.95
Retention of beneficial economic interest by the originator	2.80% 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 acquired any stressed loans during the nine month ended December 31, 2022.

(iii) The Company has not acquired loans not in default during the nine month ended December 31, 2022.

(iv) (a) The details of stressed loans transferred during the quarter ended December 31, 2022 to ARC's:

Particulars	To ARC's		To permitted transferees
	NPA	SMA	
(i) Total number of loan assets assigned	1,10,656	21,219	Nil
(ii) Aggregate principal outstanding of loans transferred (₹ in lakhs) (*)	22,594.96	5,294.60	Nil
(iii) Weighted average residual tenor of loans transferred (in months)	20.43	23.93	Nil
(iv) Net book value of loan assets transferred (at the time of transfer) (₹ in lakhs)	6,838.75	3,194.61	Nil
(v) Aggregate consideration (₹ in lakhs)	9,200.00		Nil
(vi) Addition consideration realised in respect of account transferred in earlier years	Nil		Nil

(*) NPA Includes written off loans of ₹1,325.50 lakhs.

(iv) (b) The details of investment made in Security Receipts (SR's) during the quarter ended December 31, 2022 to ARC's:

Particulars	Category of recovery ratings	As at December 31, 2022 (₹ in lakhs)
Security Receipts under trust floated by ARC's	Yet to be rated within time lines as per Reserve Bank of India guidelines	8,000.00

- 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.
- 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.
- During the current quarter ended December 31, 2022 the Company has allotted 1,85,00,412 compulsorily convertible preference shares of ₹10 each to The Teachers Insurance and Annuity Association of America (TIAA) at a price of ₹85 (including securities premium of ₹75 per share) aggregating to ₹15,725.35 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.

Place: Mumbai
Date: 14 February 2023

By order of the Board
For Arohan Financial Services Limited

MANOJ KUMAR
NARAYAN NAMBIAR

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

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

Arohan Financial Services Limited

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter and nine month ended December 31, 2022.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.25
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⁾	1,09,944.26
H	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	879.70
	(ii) For nine month ended	4,909.24
I	Earnings per share (in ₹)	
	(i) Basic :	
	Quarter ended	0.75
	Nine month ended	4.20
	(ii) Diluted :	
	Quarter ended	0.74
	Nine month ended	4.15
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⁾	74.60%
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	3.64%
	(ii) For nine month ended	6.39%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁸⁾	29.01%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	2.30%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.33%

Notes:-

- Debt - equity ratio = (debt securities + borrowings-other than debt securities + subordinated liabilities) / (Equity Share Capital + Compulsory convertible preference shares + 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

Digitally signed by Manoj Kumar Nambiar, DN: cn=Manoj Kumar Nambiar, o=Arohan Financial Services Limited, ou=, email=manoj.kumar@arohan.com, c=IN
Manoj Kumar Nambiar
 Managing Director
 DIN: 03172919

Place: Mumbai
 Date: 14 February 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 is no issue of NCD during the last quarter ended December, 2022.

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 Debentures
Date of raising funds	N/A
Amount raised	N/A
Report filed for quarter ended	December 31, 2022
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 utilised	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: February 14, 2023

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 December 31, 2022.

1. This report is issued in accordance with the terms of our Mandate Letter dated February 09, 2023.
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 December 31, 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 December 31, 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, SEBI Regulation/ Circular 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 December 31, 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 :
- Traced and agreed the principal amount of the listed NCDs outstanding from unaudited books and records of the Company as at December 31, 2022;
 - 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;
 - arithmetically re-computed the security cover ratio as computed in the Statement;
 - Verified the charge creation forms filed with the Ministry of Corporate Affairs on test check basis;
 - Verified the financial covenants as per the Debenture Trust Deed/Information Memorandum and the term sheet of NCD's outstanding as at December 31, 2022 on test check basis; and
 - 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') (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 December 31, 2022 is 18.45%.
13. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured') (ISIN INE808K07246), PAR 90+restructured loans-provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at December 31, 2022 is 35.69%.
14. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured') (ISIN INE808K07147), Operational self-sufficiency ratio of the Company, should not be less than 1.10 times, however ratio of the Company as at December 31, 2022 is 1.09 times.
15. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured') (ISIN INE808K08053), Gross NPA/On Balance sheet portfolio (pre provision) of the Company, should not exceed 2%, however ratio of the Company as at December 31, 2022 is 2.40%.

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 December 31, 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
Ramnikal
Kurani

Digitally signed
by Tushar
Ramniklal Kurani
Date: 2023.02.14
16:57:08 +05'30'

Tushar Kurani
Partner
Membership No. 118580
UDIN: 23118580BGXROS3175

Mumbai
February 14, 2022

Arohan Financial Services Limited

Asset coverage ratio as on 31 December 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	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	442.75	-	442.75	-	-	-	-	-	
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	No	-	-	503.44	-	503.44	-	-	-	-	-	
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	No	-	-	238.85	-	238.85	-	-	-	-	-	
Intangible Assets under Development		-	-	No	-	-	41.22	-	41.22	-	-	-	-	-	
Investments		-	-	No	-	-	8,005.00	-	8,005.00	-	-	-	-	-	
Loans (*)	Book debt receivables	32,413.24	3,46,749.27	No	-	-	51,449.12	-	4,30,611.63	-	32,413.24	-	-	32,413.24	
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	No	-	-	918.47	-	918.47	-	-	-	-	-	
Cash and Cash Equivalents		-	-	No	-	-	30,296.90	-	30,296.90	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		197.03	37,554.73	No	-	-	2,566.05	-	40,317.81	-	197.03	-	-	197.03	
Others		-	-	No	-	-	22,450.08	-	22,450.08	-	-	-	-	-	
Total		32,610.27	3,84,304.00	-	-	-	1,16,911.88	-	5,33,826.15	-	32,610.27	-	-	32,610.27	
LIABILITIES															
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	29,632.62	-	No	-	-	-	-	29,632.62	-	29,632.62	-	-	29,632.62	
Other debt sharing pari-passu charge with above debt	Not to be filled		-	No	-	-	-	-	-	-	-	-	-	-	
Other Debt			-	No	-	-	-	-	-	-	-	-	-	-	
Subordinated debt			-	No	-	-	-	42,958.36	-	42,958.36	-	-	-	-	
Borrowings from Bank & FI's (*)		3,10,548.45	No	-	-	-	15,111.19	-	3,25,659.64	-	-	-	-	-	
Debt Securities			-	No	-	-	-	-	-	-	-	-	-	-	
Others			-	No	-	-	-	-	-	-	-	-	-	-	
Trade payables			-	No	-	-	-	-	-	-	-	-	-	-	
Lease Liabilities			-	No	-	-	-	582.61	-	582.61	-	-	-	-	-
Provisions			-	No	-	-	-	2,483.28	-	2,483.28	-	-	-	-	-
Others		-	No	-	-	-	9,787.03	-	9,787.03	-	-	-	-	-	
Total		29,632.62	3,10,548.45	-	-	-	70,922.47	-	4,11,103.54	-	29,632.62	-	-	29,632.62	
Cover on Book Value		1.10												1.10	
Cover on Market Value*		NA													
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio										

(*) 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.

For Arohan Financial Services Limited

DEBARSHI
CHAUDHURI
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CHAUDHURI
Date: 2023.02.14
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Authorized Signatory
Place: Kolkata
Date: February 14, 2023

Details of covenants criteria as per Information Memorandum (IM) and/or debenture trust deeds and the Company's compliance with such covenants as at 31st December 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 (INE808K07246)	Capital to risk assets ratio (CRAR)	15.00%	29.01%	Complied
		(PAR 30+restructured loan+ net write off of 12months)/AUM (refer note 5 below)	10.00%	18.45%	Not Complied
		(PAR 90+restructured loans-provision)/Tier 1 (refer note 6 below)	10.00%	35.69%	Not Complied
		Return on Assets (ROA) (refer note 10 below)	> 0%	0.89%	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 (INE808K07162)	Capital to risk assets ratio (CRAR)	15.00%	29.01%	Complied
		Net NPA (PAR 90 less Provision)/AUM (refer note 3 below)	6.00%	0.68%	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%	29.01%	Complied
		Net NPA (PAR 90 less Provision)/AUM (refer note 3 below)	6.00%	0.68%	Complied
4	Arohan Financial Services Limited SR B 11.50 NCD 10JL23 FVRS10LAC (INE808K07147)	Capital to risk assets ratio (CRAR)	20.00%	29.01%	Complied
		Portfolio at risk (PAR 90) (refer note 1 below)	6.00%	2.61%	Complied
		Operational Self Sufficiency Ratio (refer note 7 below)	1.10 times	1.09 times	Not Complied
		Debt Equity Ratio (refer note 8 below)	6 times	3.25 times	Complied
		Total outside liability/Tangible Network (refer note 9 below)	10 times	3.76 times	Complied
		Operating Cost Ratio (refer note 11 below)	15.00%	5.50%	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%	29.01%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	2.00%	2.41%	Not Complied
		Net NPA (PAR 90 less Provision)/Network (refer note 3 below)	20.00%	2.65%	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%	29.01%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	3.00%	2.41%	Complied

Based on latest credit ratings available with the Company i.e. of period ended December 31, 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 31 December 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 31 December 2022 as denominator.
- 3 Net NPA/AUM - For calculating this ratio, Net NPA has been considered as numerator and closing AUM as on 31 December 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 31 December 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 31 December 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 31 December 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 31 December 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 31 December 2022) in the denominator.
- 12 Net Foreign Currency/ Equity - There are no such exposure as per the unaudited financial information as at December 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 31 December 2022 as denominator.
- 14 Net NPA/Networth - For calculating this ratio, Net NPA has been considered as numerator and Networth as on 31 December 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 31 December 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 31 December 2022 as denominator.

For Arohan Financial Services Limited

**DEBARSHI
CHAUDHURI**

Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.02.14
16:35:11 +05'30'

Authorized Signatory

Place: Kolkata

Date: February 14, 2023

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 December 31, 2022.

1. This report is issued in accordance with the terms of our Mandate Letter dated February 09, 2023.
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 December 31, 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 December 31, 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, SEBI Regulation/ Circular 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 December 31, 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 from unaudited books and records of the Company as at December 31, 2022;
 - 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 from the Ministry of Corporate Affairs website on test check basis;
 - e. Verified the financial covenants as per the Debenture Trust Deed/Information Memorandum and the term sheet of NCD's outstanding as at December 31, 2022 on test check basis; 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') (ISIN INE808K07261), PAR 90 + restructured loans-provision/Tier 1 of the Company, should not exceed 10%, however ratio of the Company as at December 31, 2022 is 35.69%.
13. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured') (ISIN INE808K07253), PAR 90 less provision/AUM of the Company, should not exceed 5%, however ratio of the Company as at December 31, 2022 is 6.93%.
14. As per the Debenture Trust Deed and Sanction Letter for secured debt securities ('DTD-secured') (ISIN INE808K07253), PAR 90 less provision/Tangible Networth of the Company, should not exceed 25%, however ratio of the Company as at December 31, 2022 is 30.26%.
15. As per the Debenture Trust Deed and Sanction Letter for unsecured debt securities ('DTD-unsecured') (ISIN INE808K08046), Gross NPA/On Balance sheet portfolio (pre provision) of the Company, should not exceed 2%, however ratio of the Company as at December 31, 2022 is 2.40%.

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 December 31, 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

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Tushar Ramniklal
Kurani
Date: 2023.02.14
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Tushar Kurani
Partner
Membership No. 118580
UDIN: 23118580BGXROT8446

Mumbai
February 14, 2023

Arohan Financial Services Limited

Asset coverage ratio as on 31 December 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	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment		-	-	No	-	-	442.75	-	442.75	-	-	-	-	-	
Capital Work-in- Progress		-	-	No	-	-	-	-	-	-	-	-	-	-	
Right of Use Assets		-	-	No	-	-	503.44	-	503.44	-	-	-	-	-	
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	No	-	-	238.85	-	238.85	-	-	-	-	-	
Intangible Assets under Development		-	-	No	-	-	41.22	-	41.22	-	-	-	-	-	
Investments		-	-	No	-	-	8,005.00	-	8,005.00	-	-	-	-	-	
Loans (*)	Book debt receivables	32,413.24	3,46,749.27	No	-	-	51,449.12	-	4,30,611.63	-	32,413.24	-	-	32,413.24	
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade Receivables		-	-	No	-	-	918.47	-	918.47	-	-	-	-	-	
Cash and Cash Equivalents		-	-	No	-	-	30,296.90	-	30,296.90	-	-	-	-	-	
Bank Balances other than Cash and Cash Equivalents		197.03	37,554.73	No	-	-	2,566.05	-	40,317.81	-	197.03	-	-	197.03	
Others		-	-	No	-	-	22,450.08	-	22,450.08	-	-	-	-	-	
Total		32,610.27	3,84,304.00	-	-	-	1,16,911.88	-	5,33,826.15	-	32,610.27	-	-	32,610.27	
LIABILITIES															
Debt securities to which this certificate pertains (*)	Secured Non Convertible Debenture	29,632.62	-	No	-	-	-	-	29,632.62	-	29,632.62	-	-	29,632.62	
Other debt sharing pari-passu charge with above debt	Not to be filled	-	-	No	-	-	-	-	-	-	-	-	-	-	
Other Debt		-	-	No	-	-	-	-	-	-	-	-	-	-	
Subordinated debt		-	-	No	-	-	42,958.36	-	42,958.36	-	-	-	-	-	
Borrowings from Bank & FI's (*)		3,10,548.45	-	No	-	-	15,111.19	-	3,25,659.64	-	-	-	-	-	
Debt Securities		-	-	No	-	-	-	-	-	-	-	-	-	-	
Others		-	-	No	-	-	-	-	-	-	-	-	-	-	
Trade payables		-	-	No	-	-	-	-	-	-	-	-	-	-	-
Lease Liabilities		-	-	No	-	-	582.61	-	582.61	-	-	-	-	-	-
Provisions		-	-	No	-	-	2,483.28	-	2,483.28	-	-	-	-	-	-
Others		-	-	No	-	-	9,787.03	-	9,787.03	-	-	-	-	-	-
Total		29,632.62	3,10,548.45	-	-	-	70,922.47	-	4,11,103.54	-	29,632.62	-	-	29,632.62	
Cover on Book Value		1.10												1.10	
Cover on Market Value*		NA													
		Exclusive Security cover Ratio			Pari-Passu Security Cover Ratio										

(*) 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.

For Arohan Financial Services Limited

DEBARSHI CHAUDHURI
Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.02.14
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Authorized Signatory
Place:Kolkata
Date:February 14, 2023

Details of covenants criteria as per Information Memorandum (IM) and/or debenture trust deeds and the Company's compliance with such covenants as at 31st December 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)	15.00%	29.01%	Complied
		(PAR 30+Non Covid restructured loan+ net write off of 12months)/AUM (refer note 16 below)	26.00%	17.01%	Complied
		(PAR 90+ restructured loans-provision)/ Tier 1 (refer note 6 below)	10.00%	35.69%	Not Complied
		Return on Assets (ROA) (refer note 10 below)	> 0%	0.89%	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%	29.01%	Complied
		Financial indebttness/ Net Worth	<=5.5	3.25	Complied
		Gross NPA(for more than 90 days)/On Book Loan portfolio	<5%	2.41%	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%	29.01%	Complied
		Gross NPA/On Balance sheet portfolio(pre provision) (refer note 13 below)	2.00%	2.41%	Not Complied
		Net NPA (PAR 90 less Provision)/Networth (refer note 14 below)	20.00%	2.65%	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%	29.01%	Complied
		(PAR 90 less provision)/AUM (refer note 2 below)	5.00%	6.93%	Not Complied
		(PAR 90 less provision)/Tangible Networth (refer note 4 below)	25.00%	30.26%	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 31st December 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 31 December 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 31 December 2022 as denominator.
- 3 Net NPA/AUM - For calculating this ratio, Net NPA has been considered as numerator and closing AUM as on 31 December 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 31 December 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 31 December 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 31 December 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 31 December 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 31 December 2022) in the denominator.
- 12 Net Foreign Currency/Equity - There are no such exposure as per the unaudited financial information as at December 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 31 December 2022 as denominator.
- 14 Net NPA/Networth - For calculating this ratio, Net NPA has been considered as numerator and Networth as on 31 December 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 31 December 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 31 December 2022 as denominator.

For Arohan Financial Services Limited

**DEBARSHI
CHAUDHURI**

Digitally signed by
DEBARSHI CHAUDHURI
Date: 2023.02.14 16:36:23
+05'30'

Authorized Signatory

Place: Kolkata

Date: February 14, 2023