

Date: May 24, 2025

To

Listing Department,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai-400001

Dear Sir/Madam,

Sub: Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 51 read with Part B of Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the Statutory Auditor's certificate on compliance with financial covenants of the listed debt securities of the Company as at March 31, 2025.

This is for your necessary information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

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



BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

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

23 May 2025

Auditor's Report on compliance with financial covenants in respect of listed, unsecured and redeemable non-convertible debt securities issued by Arohan Financial Services Limited as at 31 March 2025

1. This report is issued in accordance with the terms of our engagement letter dated 3 October 2024 and addendum to the engagement letter dated 3 October 2024.
2. Management has requested us to certify the particulars contained in the accompanying statement showing 'Compliance Status of Financials Covenants' (the "Statement") for listed, unsecured and redeemable Non-Convertible Debentures ("NCDs") issued by Arohan Financial Services Limited (the "Company") which were outstanding as at 31 March 2025. The Statement is prepared by management of the Company for the purpose of submission to Catalyst Trusteeship Limited (the "Debenture Trustee"), as per the terms of the Information Memorandum and/ or Debenture Trust Deed ("DTD") as at 31 March 2025, in compliance clause 7 of Securities and Exchange Board of India ("SEBI") Circular no. SEBI HO/MIRSD/MIRSD _CRADT/ CIR/P/2022/67 dated 19 May 2022 issued by the SEBI (hereinafter referred as the "SEBI Circular").
3. The accompanying Statement has been certified by management of the Company and it has been initialed by us for identification purpose only.

Management's Responsibility

4. The preparation and presentation of the Statement is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
5. The Company's management is also responsible for preparation and maintenance of financial covenants list and compliance with such financial covenants on a continuous basis as per the Debenture Trust Deed and to ensure compliance with the requirements of Information Memorandum and/ or Debenture Trust Deed and provide all relevant information to the Company's Debenture Trustee. Further, the Company's management is responsible for completeness and accuracy of the financial covenants listed in the Statement under the 'Covenants' section of DTD.



Management's Responsibility (Continued)

6. Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI Circular and other relevant circulars, guidelines, and regulations as applicable to the Company and for providing all relevant information to the SEBI.

Auditor's Responsibility

7. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
8. Pursuant to the requirements of the SEBI Circular, it is our responsibility to obtain limited assurance and report whether based on our examination of the unaudited books and records, maintained by the Company as at 31 March 2025, produced for our examination, the Company is in compliance with the financial covenants as mentioned in the Statement.
9. For the purpose of the report, we have performed the following procedures:
 - a) Inquired with management of the Company with regard to compliance with the financial covenants as mentioned in the Statement;
 - b) Verified outstanding amount of NCDs as at 31 March 2025 and other records maintained by the Company for the period ended 31 March 2025;
 - c) Verified the compliance of financial covenants on test check basis as per the Information Memorandum and/ or Debenture Trust Deed, the term sheet of NCD's issued by the Company with the underlying books and records;
 - d) Obtained and verified the quarterly compliance certificate submitted by management with debenture trustees for the quarter ended 30 June 2024, 30 September 2024 and 31 December 2025;
 - e) Examined and verified the arithmetical accuracy of the computation of ratios mentioned in the accompanying Statement; and
 - f) Obtained suitable representation from management.
10. The procedures performed in a limited assurance engagement vary in nature and timing form, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagements is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



11. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
12. 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.

Basis of qualified conclusion

13. Reserve Bank of India ("RBI") has issued cease and desist order on 17 October 2024, directing the Company to cease and desist from sanctioning or disbursing loans, effective from the close of business on 21 October 2024. However, these restrictions did not prevent the Company from collection and recovery process in accordance with the extant guidelines. On account of the cease and desist order and increasing delinquency levels in the half year ended 31 March 2025, the gross NPA ratio increased and breached the covenant of maintaining gross NPA ratio of less than or equal to 2% and positive net profit after tax for the quarter ended 31 March 2025.

Qualified conclusion

14. Based on our procedures performed and evidence obtained as mentioned in paragraph 9 above, and according to the information and explanation given to us by management of the Company, except for the effect of the matter described in "Basis of qualified conclusion" paragraph above, nothing has come to our attention that causes us to believe that, in all material respects, the Company has not complied with the financial covenants as per the Debenture Trust Deed as mentioned in the Statement for NCDs outstanding as at 31 March 2025.



B S R & Co. LLP

Arohan Financial Services Limited
23 May 2025
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Restriction on Use

15. This report has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, for onward submission to the Company's Debenture Trustee pursuant to the requirements of the above-mentioned Circular. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Nitesh Shetty
Partner
Membership No: 123493
ICAI UDIN: 25123493BMNXDR7700

Kolkata
23 May 2025

Arohan Financial Services Limited
Trustee Name: Catalyst Trusteeship Limited

Details of covenants criteria as per Debenture Trust Deeds (DTDs) and Information Memorandums (IMs) and the Company's compliance with such covenants as at March 31, 2025

Sr.No.	Description of Non-Convertible Debenture	Description of loan Covenants	Outstanding balance as on March 31, 2025 (in INR Crores)	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status	If no, reason for Non Compliance
1	INE808K08079 (Listed and Unsecured)	Piramal_NCD	198.98				
		Capital to risk assets ratio (CRAR)		18.00%	34.09%	Complied	
		Financial Indebtness/Net Worth		<=5.5	2.59	Complied	
		Gross NPA /Gross on book loan portfolio (refer note 1 below)		<=3%	2.85%	Complied	
		PAT		Positive	Positive	Complied	
		Pre-provisioning operating profit (refer note 2 below)		300	535.60	Complied	
2	INE808K08046 (Listed and Unsecured)	Northern Arc_NCD	65.11				
		Capital to risk assets ratio (CRAR)		15.00%	34.09%	Complied	
		Gross NPA/Gross Loan Portfolio (refer note 3 below)		<=2%	2.73%	Non Complied	Due to the Cease & Desist order issued by the regulator, the Company was unable to disburse new loans from October 22, 2024, until January 3, 2025. This restriction led to a reduction in the Company's outstanding portfolio. Additionally, the company experienced a slight increase in delinquency levels during H2FY25, primarily driven by a deterioration in the overall quality of the microfinance industry's portfolio. As a result, the Gross Non-Performing Assets (GNPA) ratio rose in H2FY25, causing the Company to breach the financial covenant of maintaining a GNPA ratio of less than or equal 2%. However, the Company has received waiver for Covenant breach as on March 31, 2025
		Net NPA (PAR 90 less Provision)/Networth (refer note 4 below)		<20%	1.50%	Complied	
		Positive Net profit after tax on quarterly basis		Positive Net profit after tax on quarterly basis	Net Loss for Q4 FY 2024-25	Non Complied	Due to the Cease & Desist order issued by the regulator, the Company was unable to disburse new loans from October 22, 2024, until January 3, 2025. This restriction led to a reduction in the Company's outstanding portfolio. Additionally, the company experienced a slight increase in delinquency levels during H2FY25, primarily driven by a deterioration in the overall quality of the microfinance industry's portfolio. As a result, the Company had to consider additional provision and write offs due to which there is net loss during the quarter ended March 31, 2025. However, the Company has received waiver for Covenant breach as on March 31, 2025

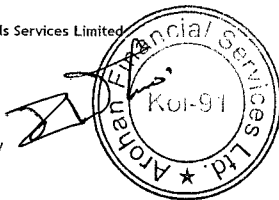
Notes:

- Gross NPA/Gross on book loan portfolio - For calculating this ratio, Gross NPA (net off write offs) has been considered as numerator and closing Gross on book loan portfolio as on Mar 31, 2025 as denominator.
- Pre-provisioning operating profit- For calculating this amount, Profit before tax is adjusted for Impairment on assets and accrued Interest on the NPA loan portfolio.
- Gross NPA/Gross Loan Portfolio* - For calculating this ratio, Gross NPA (net off write offs) has been considered as numerator and closing Gross loan portfolio as on Mar 31, 2025 as denominator.
- Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on Mar 31, 2025 (As per Section 2(57) of the Companies Act, 2013) as denominator.

*Gross Loan Portfolio means the outstanding principal balance of all of the Company's outstanding Loans including current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, but not Loans that have been written off. It does not include interest receivables and accrued interest.

For Arohan Financials Services Limited

Authorized Signatory
Kolkata



B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
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The Board of Directors
Arohan Financial Services Limited
PTI Building, 4th Floor
DP-9, Sector V, Salt Lake
Kolkata 700 091

23 May 2025

Auditor's Report on compliance with financial covenants in respect of listed, unsecured and redeemable non-convertible debt securities issued by Arohan Financial Services Limited as at 31 March 2025

1. This report is issued in accordance with the terms of our engagement letter dated 3 October 2024 and addendum to the engagement letter dated 3 October 2024.
2. Management has requested us to certify the particulars contained in the accompanying statement showing 'Compliance Status of Financials Covenants' (the "Statement") for listed, unsecured and redeemable Non-Convertible Debentures ("NCDs") issued by Arohan Financial Services Limited (the "Company") which were outstanding as at 31 March 2025. The Statement is prepared by management of the Company for the purpose of submission to IDBI Trusteeship Services Limited (the "Debenture Trustee"), as per the terms of the Information Memorandum and/ or Debenture Trust Deed ("DTD") as at 31 March 2025, in compliance clause 7 of Securities and Exchange Board of India ("SEBI") Circular no. SEBI HO/MIRSD/MIRSD_CRADT/ CIR/P/2022/67 dated 19 May 2022 issued by the SEBI (hereinafter referred as the "SEBI Circular").
3. The accompanying Statement has been certified by management of the Company and it has been initialed by us for identification purpose only.

Management's Responsibility

4. The preparation and presentation of the Statement is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
5. The Company's management is also responsible for preparation and maintenance of financial covenants list and compliance with such financial covenants on a continuous basis as per the Debenture Trust Deed and to ensure compliance with the requirements of Information Memorandum and/ or Debenture Trust Deed and provide all relevant information to the Company's Debenture Trustee. Further, the Company's management is responsible for completeness and accuracy of the financial covenants listed in the Statement under the 'Covenants' section of DTD.

Management's Responsibility (Continued)

6. Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI Circular and other relevant circulars, guidelines, and regulations as applicable to the Company and for providing all relevant information to the SEBI.

Auditor's Responsibility

7. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
8. Pursuant to the requirements of the SEBI Circular, it is our responsibility to obtain limited assurance and report whether based on our examination of the unaudited books and records, maintained by the Company as at 31 March 2025, produced for our examination, the Company is in compliance with the financial covenants as mentioned in the Statement.
9. For the purpose of the report, we have performed the following procedures:
 - a) Inquired with management of the Company with regard to compliance with the financial covenants as mentioned in the Statement;
 - b) Verified outstanding amount of NCDs as at 31 March 2025 and other records maintained by the Company for the period ended 31 March 2025;
 - c) Verified the compliance of financial covenants on test check basis as per the Information Memorandum and/ or Debenture Trust Deed, the term sheet of NCD's issued by the Company with the underlying books and records;
 - d) Obtained and verified the quarterly compliance certificate submitted by management with debenture trustees for the quarter ended 30 June 2024, 30 September 2024 and 31 December 2025;
 - e) Examined and verified the arithmetical accuracy of the computation of ratios mentioned in the accompanying Statement; and
 - f) Obtained suitable representation from management.
10. The procedures performed in a limited assurance engagement vary in nature and timing form, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagements is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
11. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical



requirements of the Code of Ethics issued by the ICAI.

12. 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.

Basis of qualified conclusion

13. Reserve Bank of India ("RBI") has issued cease and desist order on 17 October 2024, directing the Company to cease and desist from sanctioning or disbursing loans, effective from the close of business on 21 October 2024. However, these restrictions did not prevent the Company from collection and recovery process in accordance with the extant guidelines. On account of the cease and desist order and increasing delinquency levels in the half year ended 31 March 2025, the gross NPA ratio increased and breached the covenant of maintaining gross NPA ratio of less than or equal to 2% and positive net profit after tax for the quarter ended 31 March 2025. The Company is yet to obtain the waiver in relation to the debentures with a carrying amount of Rs. 35 crores as at the reporting date.

Qualified conclusion

14. Based on our procedures performed and evidence obtained as mentioned in paragraph 9 above, and according to the information and explanation given to us by management of the Company, except for the effect of the matter described in "Basis of qualified conclusion" paragraph above, nothing has come to our attention that causes us to believe that, in all material respects, the Company has not complied with the financial covenants as per the Debenture Trust Deed as mentioned in the Statement for NCDs outstanding as at 31 March 2025.



B S R & Co. LLP

Arohan Financial Services Limited
23 May 2025
Page 4 of 4

Restriction on Use

15. This report has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, for onward submission to the Company's Debenture Trustee pursuant to the requirements of the above-mentioned Circular. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Nitesh Shetty
Partner
Membership No: 123493
ICAI UDIN: 25123493BMNXDQ9433

Kolkata
23 May 2025

Arohan Financial Services Limited
Trustee Name: IDBI Trusteeship Services Limited

Details of covenants criteria as per Debenture Trust Deeds (DTDs) and Information Memorandums (IMs) and the Company's compliance with such covenants as at March 31, 2025

Sr. No.	Description of Non-Convertible Debenture	Description of loan Covenants	Outstanding balance as on March 31, 2025 (in INR Crores)	Criteria as per Information Memorandum (IM) and/or debenture trust deeds	Actual Covenant Compliance (as per management)	Status	If no, reason for Non Compliance
1	INE808K08053 (Listed and Unsecured)	Northern Arc_NCD	35.00				
		Capital to risk assets ratio (CRAR)		>15%	34.09%	Complied	
		Gross NPA/Gross Loan Portfolio (refer note 1 below).		<=2%	2.73%	Non Complied	Due to the Cease & Desist order issued by the regulator, the Company was unable to disburse new loans from October 22, 2024, until January 3, 2025. This restriction led to a reduction in the Company's outstanding portfolio. Additionally, the Company experienced a slight increase in delinquency levels during H2FY25, primarily driven by a deterioration in the overall quality of the microfinance industry's portfolio. As a result, the Gross Non-Performing Assets (GNPA) ratio rose in H2FY25, causing the Company to breach the financial covenant of maintaining a GNPA ratio of less than or equal 2%. However, the Company has received waiver for Covenant breach as on March 31, 2025
		Net NPA (PAR 90 less Provision)/Networth (refer note 2 below).		<20%	1.50%	Complied	
		Positive Net profit after tax on quarterly basis		Positive Net profit after tax on quarterly basis	Net Loss for Q4 FY 2024-25	Non Complied	Due to the Cease & Desist order issued by the regulator, the Company was unable to disburse new loans from October 22, 2024, until January 3, 2025. This restriction led to a reduction in the Company's outstanding portfolio. Additionally, the Company experienced a slight increase in delinquency levels during H2FY25, primarily driven by a deterioration in the overall quality of the microfinance industry's portfolio. As a result, the Company had to consider additional provision and write offs due to which there is net loss during the quarter ended March 31, 2025. However, there is a cure period of 60 days from the date of breach.
2	INE808K08061 (Listed and Unsecured)	Karvy_NCD	24.86				
		Capital to risk assets ratio (CRAR)		>15%	34.09%	Complied	
		Gross NPA/Gross Loan Portfolio (refer note 1 below).		<=3%	2.73%	Complied	

Notes:

- Gross NPA/Gross Loan Portfolio* - For calculating this ratio, Gross NPA (net off write offs) has been considered as numerator and closing Gross loan portfolio as on Mar 31, 2025 as denominator.
 - Net NPA (PAR 90 less Provision)/Networth - For calculating this ratio, Net NPA has been considered as numerator and net worth as on Mar 31, 2025 (As per Section 2(57) of the Companies Act, 2013) as
- *Gross Loan Portfolio means the outstanding principal balance of all of the Company's outstanding Loans including current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, but not Loans that have been written off. It does not include interest receivables and accrued interest.

For Arohan Financials Services Limited

Authorized Signatory
Kolkata

