

Arohan Financial Services Limited
Balance Sheet as at March 31, 2025
(All amounts in ₹ lakhs unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
ASSETS		
Financial assets		
Cash and cash equivalents	43,647.55	93,896.05
Bank balance other than cash and cash equivalents	23,693.24	32,865.07
Trade receivables	837.89	1,452.38
Loans	5,70,510.84	6,61,573.79
Investments	36,334.60	9,016.08
Other financial assets	1,555.73	3,389.88
	6,76,579.85	8,02,193.25
Non-financial assets		
Current tax assets (net)	1,030.72	1,198.48
Deferred tax assets (net)	8,013.85	5,589.42
Property, plant and equipment	891.70	752.48
Intangible assets under development	29.50	55.13
Other intangible assets	389.40	414.31
Right of use asset	600.66	736.64
Other non-financial assets	1,043.16	604.35
	11,998.99	9,350.81
Total assets	6,88,578.84	8,11,544.06
LIABILITIES AND EQUITY		
Liabilities		
Financial liabilities		
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	2,751.52	2,809.81
(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	-	-
Debt securities	21,303.69	40,903.81
Borrowings (other than debt securities)	4,09,070.54	5,20,796.16
Subordinated liabilities	39,966.14	39,884.29
Other financial liabilities	7,338.14	11,241.43
	4,80,430.03	6,15,635.50
Non-financial liabilities		
Provisions	3,896.65	2,687.60
Other non-financial liabilities	1,739.33	1,745.27
	5,635.98	4,432.87
Equity		
Equity share capital	15,891.23	15,741.23
Other equity	1,86,621.60	1,75,734.46
	2,02,512.83	1,91,475.69
Total liabilities and equity	6,88,578.84	8,11,544.06

Arohan Financial Services Limited
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in ₹ lakhs unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
Interest income	1,58,117.79	1,41,768.58
Dividend income	12.50	-
Fees and commission income	9,653.75	16,885.91
Net gain on derecognition of financial instruments under amortised cost category	1,167.91	4,132.58
Other operating income	222.75	82.16
Total revenue from operations	1,69,174.70	1,62,869.23
Other income	351.37	594.09
Total Income	1,69,526.07	1,63,463.32
Expenses		
Finance costs	63,195.84	59,223.26
Impairment on financial instruments	39,751.41	17,875.97
Employee benefits expenses	38,920.00	32,471.95
Depreciation and amortization	685.39	568.34
Other expenses	13,164.93	12,080.50
Total Expenses	1,55,717.57	1,22,220.02
Profit before tax	13,808.50	41,243.30
Income tax expenses:		
- Current tax		
- for current year	5,223.42	3,412.65
- for earlier years	(191.70)	66.50
- Deferred tax expense/ (credit)	(2,191.80)	6,381.98
Total tax expenses	2,839.92	9,861.13
Net profit after tax for the year	10,968.58	31,382.17
Other comprehensive income		
Items that will not be reclassified to profit or loss		
(i) Remeasurement of post employment benefit obligations	(924.32)	(494.64)
(ii) Income tax relating to above items	232.63	124.49
Other comprehensive income	(691.69)	(370.15)
Total comprehensive income for the year	10,276.89	31,012.02
Earnings per equity share		
Face value per share (₹)	10.00	10.00
Basic (₹)	7.20	26.62
Diluted (₹)	7.18	26.57

Arohan Financial Services Limited
Statement of change in equity for the year ended March 31, 2025
(All amounts in ₹ lakhs unless otherwise stated)

(a) Equity share capital

(i) Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	15,741.23	12,117.73
Changes in equity share capital during the year	150.00	3,623.50
Balance at the end of the year	15,891.23	15,741.23

(ii) Compulsorily convertible preference share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	-	2,921.12
Changes in Compulsorily convertible preference shares capital during the year	-	(2,921.12)
Balance at the end of the year	-	-

(b) Other equity

Particulars	Reserves and Surplus						Total other equity
	Securities premium	Statutory reserves	Retained Earnings	General reserve	Share option outstanding account	Treasury shares	
Balance as at April 01, 2024	1,20,226.78	15,715.55	45,670.93	80.27	1,940.55	(7,899.62)	1,75,734.46
Total comprehensive income for the year:							
Profit for the year (net of taxes)	-	-	10,968.58	-	-	-	10,968.58
Other comprehensive income (net of taxes)	-	-	(691.69)	-	-	-	(691.69)
Transactions with owners of the Company:							
Share based payments to employees	-	-	-	-	760.25	-	760.25
Issue of equity shares to ESOP trust	2,075.25	-	-	-	-	(2,225.25)	(150.00)
Share issue expenses	-	-	-	-	-	-	-
Transfer to statutory reserve (*)	-	2,193.72	(2,193.72)	-	-	-	-
Balance as at March 31, 2025	1,22,302.03	17,909.27	53,754.10	80.27	2,700.80	(10,124.87)	1,86,621.60

(*) The Company has transferred 20% of profits after tax to Statutory reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934

Arohan Financial Services Limited
Statement of Cash Flow for the year ended March 31, 2025
(All amounts in ₹ lakhs unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
(A) Cash flows from operating activities		
Net cash generated from / (used in) operating activities (A)	1,01,305.42	(1,34,920.75)
(B) Cash flows from investing activities		
Net cash used in investing activities (B)	(21,056.09)	(1,118.43)
(C) Cash flows from financing activities		
Net cash (used in)/ generated from financing activities (C)	(1,30,497.83)	1,74,279.17
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(50,248.50)	38,239.99
Cash and cash equivalents as at the beginning of the year	93,896.05	55,656.06
Cash and cash equivalents as at the end of the year	43,647.55	93,896.05

DIRECTOR'S REPORT

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

DIVIDEND

The Board of Directors did not recommend any Dividend to the Equity Shareholders of the Company for the year under review. However, during the year, the Company had paid dividend at the rate of 0.001% per annum to the Cumulative Compulsory Convertible Preference Shareholders.

DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the year under review, the Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

AUDITORS

There are no qualifications, reservation or adverse remark made by the Statutory Auditor and Secretarial Auditor in their reports.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(INR in Lakhs)

Year ended March 31,	FY 2025	FY 2024	Change (%)
Total Revenue (A)	1,69,526.07	1,63,463.32	3.71
Less: Expenditure (B)	1,15,966.16	1,04,344.05	11.14
Less: Impairment on financial instruments (C)	39,751.41	17,875.97	122.37
Profit/(loss) before tax (D)= [A-(B+C)]	13,808.50	41,243.30	-66.52
Total tax expense (E)	2,839.92	9,861.13	-71.20
Profit/(loss) after tax (F)= (D-E)	10,968.58	31,382.17	-65.04
Other Comprehensive Income	-691.69	-370.15	-86.87
Total Comprehensive income for the year	10,276.89	31,012.02	-66.86
Earnings Per Share (EPS)			
Basic (in INR)	7.2	26.62	-72.95
Diluted (in INR)	7.18	26.57	-72.98

The operational highlights of the Company are summarized below:

Year ended March 31	2025	2024	Change (%)
Number of branches	1102	975	13.03
Number of customer (in lakhs)	21	24	-12.5
Number of employees	10252	9333	9.85
Gross loan portfolio (in Crores)	6003	7112	-15.59

CORPORATE GOVERNANCE

The Company strives to adopt and adhere to the highest standards of Corporate Governance principles and best practices. With this objective the Company has put in place various policies, systems and processes to achieve transparency, high levels of business ethics and compliance with applicable laws. The Board and other Sub Committee of Board ensures the high standards of transparency and accountability in all its activities. The best management practices and a high level of integrity in decision making are followed to ensure long term creation of value for all the stakeholders.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India as per Section 118(10) of the Companies Act, 2013 and such systems are adequate and operating effectively.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

The Reserve Bank of India, exercising its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, issued an Executive Order on October 17, 2024, directing the Company to cease and desist from sanctioning or disbursing loans, effective from the close of business on October 21, 2024. However, these restrictions did not prevent the Company from servicing its existing customers or carrying out collection and recovery activities in accordance with the Executive Order.

The Reserve Bank of India, exercising its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, issued an Executive Order on October 17, 2024, directing the Company to cease and desist from sanctioning or disbursing loans, effective from the close of business on October 21, 2024. However, these restrictions did not prevent the Company from servicing its existing customers or carrying out collection and recovery activities in accordance with the Executive Order.