

Independent Auditor's Report on Audited Financial Results of the Arohan Financial Services Limited pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To the Board of Directors of Arohan Financial Services Limited

Report on the Audit of Financial Results

Opinion

We have audited the accompanying statement of financial results of Arohan Financial Services Limited (hereinafter referred to as 'the Company') for the year ended March 31, 2024 together with notes thereon ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with

the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

MSKA & Associates

Chartered Accountants

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Tushar Kurani

Partner

Membership No. 118580

UDIN: 24118580BKFLZM2975

Kolkata

May 24, 2024

Arohan Financial Services Limited					
Statement of audited financial results for the quarter and year ended 31 March 2024					
Particulars	(₹ in lakhs)				
	Quarter ended			Year ended	
	31 March 2024 (Refer note 9) (Unaudited)	31 December 2023 (unaudited)	31 March 2023 (Refer note 9) (Unaudited)	31 March 2024 (Audited)	31 March 2023 (Audited)
1 Revenue					
(a) Interest income	38,049.45	36,495.97	25,808.91	1,38,016.48	93,096.90
(b) Fees and commission income	4,643.81	4,052.08	3,862.67	16,885.91	10,209.69
(c) Net gain on derecognition of financial instruments	781.89	879.49	1,781.06	4,132.58	3,586.49
(d) Others	81.04	0.78	3.20	82.16	52.30
Total revenue from operations	43,556.19	41,428.32	31,455.84	1,59,117.13	1,06,945.38
(e) Other income	1,381.02	1,087.04	855.66	4,346.19	2,154.14
Total revenue	44,937.21	42,515.36	32,311.50	1,63,463.32	1,09,099.52
2 Expenses					
(a) Finance costs	15,946.13	15,362.29	11,866.30	59,223.26	46,864.42
(b) Impairment on financial instruments	3,930.02	4,441.72	8,200.17	17,875.97	19,316.60
(c) Employee benefits expenses	8,785.34	8,249.12	6,956.82	32,471.95	24,614.80
(d) Depreciation and amortization	154.68	140.63	120.50	568.34	476.24
(e) Other expenses	4,427.94	2,551.20	2,389.20	12,080.50	8,832.10
Total expenses	33,244.11	30,744.96	29,532.99	1,22,220.02	1,00,104.16
3 Profit before tax (1-2)	11,693.10	11,770.40	2,778.51	41,243.30	8,995.36
4 Tax expense					
(a) Current tax expenses/ (credit)	1,154.36	1,256.90	(68.34)	3,412.65	1.96
(b) Deferred tax expenses	237.40	2,437.58	645.25	6,381.98	2,014.95
(c) Tax expense/ (credit) for earlier years	(14.43)	-	39.21	66.50	(93.18)
5 Net Profit after tax (3-4)	10,315.77	8,075.92	2,162.39	31,382.17	7,071.63
6 Other comprehensive income					
(a) Items that will not be reclassified to profit or loss					
(i) Remeasurement of post employment benefit obligations	(176.83)	(105.00)	(93.81)	(494.64)	(350.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss	44.50	26.43	23.61	124.49	88.34
(b) Items that will be reclassified to profit or loss					
(i) Fair valuation of financial assets	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Other comprehensive income (a+b)	(132.33)	(78.57)	(70.20)	(370.15)	(262.65)
Total comprehensive income for the period/ year (5+6)	10,183.44	7,997.35	2,092.19	31,012.02	6,808.98
7 Paid-up equity share capital (Face value of ₹ 10 each)	15,741.23	18,240.76	15,038.85	15,741.23	15,038.85
8 Earning per equity share (not annualised)					
(a) Basic (In ₹)	8.75	6.91	1.85	26.62	6.05
(b) Diluted (In ₹)	8.73	5.50	1.78	26.57	5.84

Arohan Financial Services Limited

**Statement of audited financial results for the quarter and year ended 31 March 2024
Balance Sheet**

		(₹ in lakhs)	
Particulars		As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
A	Assets		
1	Financial assets		
	(a) Cash and cash equivalents	93,896.05	55,656.06
	(b) Other bank balances	32,865.07	37,800.09
	(c) Trade receivables	225.91	1,537.64
	(d) Loans	6,61,573.79	4,78,221.95
	(e) Investments	9,016.08	7,877.00
	(f) Other financial assets	4,616.35	2,757.32
	Total financial assets	8,02,193.25	5,83,850.06
2	Non-financial assets		
	(a) Current tax assets (net)	1,198.48	4,268.74
	(b) Deferred tax assets (net)	5,589.42	11,846.91
	(c) Property, plant and equipment	752.48	530.80
	(d) Intangible assets under development	55.13	44.06
	(e) Other intangible assets	414.31	215.05
	(f) Right of use asset	736.64	490.05
	(g) Other non-financial assets	604.35	571.12
	Total non-financial assets	9,350.81	17,966.73
	TOTAL ASSETS	8,11,544.06	6,01,816.79
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	40,903.81	30,084.77
	(c) Borrowings (other than debt securities)	5,20,796.16	3,80,936.33
	(d) Subordinated liabilities	39,884.29	42,327.83
	(e) Others financial liabilities	11,443.11	9,946.14
	Total financial liabilities	6,13,027.37	4,63,295.07
2	Non-financial liabilities		
	(a) Provisions	2,687.60	2,468.29
	(b) Other non-financial liabilities	4,353.40	2,250.92
	Total non-financial liabilities	7,041.00	4,719.21
3	Equity		
	(a) Equity share capital	15,741.23	15,038.85
	(b) Other equity	1,75,734.46	1,18,763.66
	Total equity	1,91,475.69	1,33,802.51
	TOTAL LIABILITIES AND EQUITY	8,11,544.06	6,01,816.79

Arohan Financial Services Limited

Statement of audited financial results for the quarter and year ended 31 March 2024

Statement of Cash Flow

(₹ in lakhs)

Particulars	Year ended 31 March 2024 (Audited)	Year ended 31 March 2023 (Audited)
(A) Cash flows from operating activities		
Profit before tax	41,243.30	8,995.36
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	364.27	307.27
Depreciation on right of use assets	204.07	168.97
Interest on lease liability (net)	68.90	45.78
Impairment loss allowance on loans	13,905.31	19,117.55
Impairment loss allowance on security receipts	4,118.10	-
Impairment loss allowance on trade receivables	(147.44)	147.44
Net gain on derecognition of financial instruments	(4,132.58)	(3,586.49)
Interest income on unwinding of assigned portfolio	(948.38)	(294.45)
Share based payments to employees	515.76	282.76
Effective interest rate adjustment for financial instruments	11,780.91	1,475.82
Unwinding impact on security deposit	0.21	0.21
Operating profit before working capital changes	66,972.43	26,660.22
Working capital adjustments		
<u>(Increase)/ decrease in assets</u>		
Loans	(1,97,257.15)	(1,26,319.57)
Trade receivables	1,459.17	(1,484.49)
Other financial assets	3,227.54	1,675.25
Other non-financial assets	(39.04)	173.19
<u>Increase/ (decrease) in liabilities</u>		
Others financial liabilities	1,238.90	6,138.36
Provisions	(275.33)	17.60
Other non-financial liabilities	2,102.48	178.67
Cash used in operating activities	(1,22,571.00)	(92,960.77)
Income taxes paid (net of refunds)	(408.89)	642.79
Net cash used in operating activities (A)	(1,22,979.89)	(92,317.98)
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(479.02)	(301.69)
Investment in/ proceeds from fixed deposits	4,935.02	(2,427.71)
Purchase of investments	(5,257.18)	(7,872.00)
Purchase of intangible assets	(286.23)	(34.41)
Purchase of intangible assets under development	(33.27)	(46.30)
Proceeds from sale of property, plant and equipment	2.25	0.44
Net cash used in investing activities (B)	(1,118.43)	(10,681.67)
(C) Cash flows from financing activities		
Proceeds from issue of equity shares (including premium)	9.81	5.65
Proceeds from issue of compulsorily convertible preference shares (including premium)	26,621.19	24,829.50
Share issue expenses (net)	(485.61)	(472.47)
Proceeds from debt securities	20,538.02	11,462.43
Repayment of debt securities	(9,870.00)	(9,940.00)
Proceeds from borrowings (other than debt securities)	9,14,425.52	6,44,169.00
Repayment of borrowings (other than debt securities)	(7,86,139.12)	(6,05,544.46)
Repayment of subordinated liabilities	(2,500.00)	(1,000.00)
Payment of lease liabilities	(261.50)	(216.86)
Net cash generated from financing activities (C)	1,62,338.31	63,292.79
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	38,239.99	(39,706.86)
Cash and cash equivalents as at the beginning of the year	55,656.06	95,362.92
Cash and cash equivalents as at the end of the year	93,896.05	55,656.06
Components of cash and cash equivalents:		
Cash on hand	24.84	36.05
Bank balances and deposits with banks	93,871.21	55,620.01
Cash and cash equivalents considered for cash flow	93,896.05	55,656.06

Arohan Financial Services Limited

Notes:-

- The above audited 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 May 23, 2024 and May 24, 2024 respectively.
- The audited 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 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- The above financial results for the year ended March 31, 2024 and year ended March 31, 2023 have been audited by M S K A & Associates, Chartered Accountants, on which they had issued unmodified opinion.
- In pursuant to the provisions of the Companies Act, 2013, the Company as per the circular resolution passed by the Board of Directors on March 22, 2024, converted all the Compulsorily Convertible Preference Shares ("CCPS") having face value of ₹ 6,053.02 lakhs were allotted to the CCPS holder for an aggregate amount of ₹ 51,450.70 lakhs, into equity shares (face value of ₹ 10 each) as per the Share Subscription Agreements (SSA) and as per the approval of the shareholders ranking pari-passu with the existing equity shares of the Company. During the quarter ended March 31, 2024, the Company has allotted 3,55,35,017 equity shares (face value of Rs. 10 each) pursuant to the compulsory conversion of these CCPS. The Company also declared a dividend at 0.001% per annum on such conversion of CCPS into equity shares.
- Details of loan transferred/ acquired during the year ended March 31, 2024 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:

(i) Details of loan transfer through direct assignment transaction in respect of loans not in default for the year ended March 31, 2024:

Particulars	To Banks/ NBFC's
Number of loans	1,74,615
Aggregate amount of loans transferred (₹ in lakhs)	48,867.56
Sale Consideration (₹ in lakhs)	48,867.56
Weighted average residual maturity (in months) (*)	16.65
Weighted average holding period by the originator (in months)	5.97
Retention of beneficial economic interest by the originator	9.96% to 15.75%
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 financial year ended March 31, 2024.

(iii) The Company has acquired loans not in default during the financial year ended March 31, 2024.

Particulars	Amount (₹ in lakhs)
Aggregate principal outstanding of loans acquired	15,849.63
Aggregate consideration paid	15,849.63
Weighted average residual tenor of loans acquired (in months)	16.23

(iv) (a) The company has transferred certain NPA & SMA loans during the year ended March 31, 2024, details of which are given below:

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

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

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

Particulars	Category of recovery ratings	As at March 31, 2024 (₹ in lakhs)
Security Receipts under trust floated by ARC's (FY 23-16)	IND RR2 (75%-100%)	5,648.00
Security Receipts under trust floated by ARC's (FY 23-36)	IND RR3 (50%-75%)	5,363.08

- The Company had invoked and implemented resolution plans, in pursuant to Covid -19 pandemic, 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. September 30, 2023 (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. March 31, 2024
Personal Loans	-	-	-	-	-
Corporate persons (*)	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others (**)	2,623.43	-	1,740.17	883.26	-
Total	2,623.43	-	1,740.17	883.26	-

(*) 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 March 31, 2024 is ₹Nil and ₹Nil respectively.

- 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"), Non convertible debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on identified receivables arising out of its business operations and cash collateral to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
- The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of the year ended March 31, 2024 and March 31, 2023 and the reviewed figures for the nine month ended December 31, 2023 and December 31, 2022 respectively.
- 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 Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: May 24, 2024

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 year ended March 31, 2024.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	3.14
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⁾	1,85,537.89
H	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	10,315.77
	(ii) For the year ended	31,382.17
I	Earnings per share (in ₹)	
	(i) Basic :	
	For the quarter ended	8.75
	For the year ended	26.62
	(ii) Diluted :	
	For the quarter ended	8.73
	For the year ended	26.57
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⁾	74.13%
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	22.96%
	(ii) For the year ended	19.20%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁸⁾	29.01%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	1.64%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.00%

Notes:-

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

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

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: May 24, 2024

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