

B S R & Co. LLP

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Limited Review Report on unaudited financial results of Arohan Financial Services Limited for the quarter ended 30 September 2025 and year to date results for the period from 1 April 2025 to 30 September 2025 pursuant to Regulation 52 of 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

1. We have reviewed the accompanying Statement of unaudited financial results of Arohan Financial Services Limited (hereinafter referred to as “the Company”) for the quarter ended 30 September 2025 and year to date results for the period from 1 April 2025 to 30 September 2025 (“the Statement”) being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Company’s management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information 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 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters to the extent applicable.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Nitesh Shetty
Partner

Kolkata
12 November 2025

Membership No.: 123493
UDIN: 25123493BMNXEV2537

Arohan Financial Services Limited						
Statement of unaudited financial results for the quarter and half year ended September 30, 2025						
Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(₹ in lakhs)						
1 Revenue from operations						
(a) Interest income	34,234.09	34,548.07	42,452.83	68,782.16	84,615.01	1,58,117.79
(b) Dividend income	-	-	12.50	-	12.50	12.50
(c) Fees and commission income	2,126.79	1,917.87	3,104.75	4,044.66	7,427.29	9,653.75
(d) Net gain on derecognition of financial instruments under amortised cost category	1,342.39	-	-	1,342.39	1,167.91	1,167.91
(e) Other operating income	10.29	8.11	14.75	18.40	212.46	222.75
Total revenue from operations	37,713.56	36,474.05	45,584.83	74,187.61	93,435.17	1,69,174.70
(f) Other income	429.65	39.08	62.74	468.73	158.01	351.37
Total revenue	38,143.21	36,513.13	45,647.57	74,656.34	93,593.18	1,69,526.07
2 Expenses						
(a) Finance costs	12,775.26	12,652.90	16,730.16	25,428.16	34,349.48	63,195.84
(b) Impairment on financial instruments	9,469.68	10,287.61	9,885.23	19,757.29	13,928.92	39,751.41
(c) Employee benefits expenses	9,405.65	9,727.77	9,589.87	19,133.42	18,515.84	38,920.00
(d) Depreciation and amortization	215.61	192.15	170.37	407.76	335.55	685.39
(e) Other expenses	3,721.84	3,036.28	3,383.99	6,758.12	6,720.59	13,164.93
Total expenses	35,588.04	35,896.71	39,759.62	71,484.75	73,850.38	1,55,717.57
3 Profit before tax (1-2)	2,555.17	616.42	5,887.95	3,171.59	19,742.80	13,808.50
4 Income tax expenses:						
- Current tax						
- for current period/ year	249.93	98.63	1,837.51	348.56	6,027.50	5,223.42
- for earlier periods/ year	-	-	-	-	0.37	(191.70)
- Deferred tax expense/ (credit)	352.68	43.77	(411.35)	396.45	(1,155.02)	(2,191.80)
5 Net Profit after tax (3-4)	1,952.56	474.02	4,461.79	2,426.58	14,869.95	10,968.58
6 Other comprehensive income						
Items that will not be reclassified to profit or loss						
(i) Remeasurement of post employment benefit	184.20	(231.86)	(264.10)	(47.66)	(402.31)	(924.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(46.35)	58.35	66.47	12.00	101.25	232.63
Other comprehensive income	137.85	(173.51)	(197.63)	(35.66)	(301.06)	(691.69)
Total comprehensive income for the period/ year (5+6)	2,090.41	300.51	4,264.16	2,390.92	14,568.89	10,276.89
7 Paid-up equity share capital (Face value of ₹ 10 each)	15,941.23	15,891.23	15,891.23	15,941.23	15,891.23	15,891.23
8 Earning per equity share (not annualised)						
(a) Basic (In ₹)	1.28	0.31	2.93	1.59	9.75	7.20
(b) Diluted (In ₹)	1.28	0.31	2.92	1.59	9.73	7.18



Note 1: Statement of assets and liabilities as at September 30, 2025

(₹ in lakhs)

Particulars	As at September 30, 2025 (Unaudited)	As at March 31, 2025 (Audited)
A. ASSETS		
1. Financial assets		
(a) Cash and cash equivalents	81,639.65	43,647.55
(b) Bank balance other than cash and cash equivalents	22,079.02	23,693.24
(c) Trade receivables	919.46	837.89
(d) Loans	5,62,243.89	5,70,510.84
(e) Investments	27,412.15	36,334.60
(f) Other financial assets	2,589.46	1,555.73
Total financial assets	6,96,883.63	6,76,579.85
2. Non-financial assets		
(a) Current tax assets (net)	2,174.39	1,030.72
(b) Deferred tax assets (net)	7,629.40	8,013.85
(c) Property, plant and equipment	1,011.75	891.70
(d) Intangible assets under development	-	29.50
(e) Other intangible assets	358.46	389.40
(f) Right of use asset	657.54	600.66
(g) Other non-financial assets	2,992.85	1,043.16
Total non-financial assets	14,824.39	11,998.99
TOTAL ASSETS	7,11,708.02	6,88,578.84
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	3,657.47	2,751.52
(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	15,976.57	21,303.69
(c) Borrowings (other than debt securities)	4,50,764.05	4,09,070.54
(d) Subordinated liabilities	24,900.70	39,966.14
(e) Other financial liabilities	5,917.37	7,338.14
Total financial liabilities	5,01,216.16	4,80,430.03
2. Non-financial liabilities		
(a) Provisions	3,775.70	3,896.65
(b) Other non-financial liabilities	1,309.58	1,739.33
Total non-financial liabilities	5,085.28	5,635.98
3. Equity		
(a) Equity share capital	15,941.23	15,891.23
(b) Other equity	1,89,465.35	1,86,621.60
Total equity	2,05,406.58	2,02,512.83
TOTAL LIABILITIES AND EQUITY	7,11,708.02	6,88,578.84



Note 2: Statement of unaudited cash flow for the half year ended September 30, 2025

Particulars	(₹ in lakhs)	
	Half year ended September 30, 2025 (Unaudited)	Half year ended September 30, 2024 (Unaudited)
A. Cash flows from operating activities		
Profit before tax	3,171.59	19,742.80
Adjustments for:		
Depreciation and amortization	310.91	236.29
Depreciation on right of use assets	96.85	99.26
Interest on lease liability (net)	38.56	38.57
Impairment loss allowance on loans	20,257.29	13,928.92
Impairment loss allowance on security receipts	(500.00)	-
Net gain on derecognition of financial instruments	(1,342.39)	(1,167.91)
Share based payments to employees	502.83	395.17
Effective interest rate adjustment for financial instruments	(2,815.02)	(2,491.42)
Interest on loans	(62,105.15)	(76,470.61)
Interest on investments and fixed deposits	(2,918.91)	(3,886.09)
Finance cost	24,011.57	32,817.50
Unwinding impact on security deposit	(0.16)	0.08
Operating loss before working capital changes	(21,292.03)	(16,757.44)
Movements in working capital:		
(Increase) in loans	(13,094.83)	(9,064.48)
(Increase)/ decrease in trade receivables	(81.57)	665.82
Decrease in other financial assets	311.58	1,965.72
(Increase) in other non-financial assets	(1,952.45)	(1,026.07)
Increase in trade payables	905.95	396.59
(Decrease) in other financial liabilities	(1,483.61)	(2,486.28)
(Decrease) in provisions	(168.61)	(224.35)
(Decrease)/ increase in other non-financial liabilities	(429.75)	9.98
Cash (used in) operating activities	(37,285.32)	(26,520.51)
Interest received	66,827.20	80,853.97
Interest paid	(24,187.96)	(33,157.52)
Income taxes paid (net of refunds)	(1,492.23)	(5,353.57)
Net cash generated from operating activities (A)	3,861.69	15,822.37
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(366.28)	(346.03)
Proceeds from sale of property, plant and equipment	0.28	0.32
Interest received on investments and fixed deposits	3,114.17	2,605.04
Proceeds from fixed deposits	6,883.19	6,717.32
Investment in fixed deposits	(5,523.76)	(1,586.64)
Proceeds from sale of investments	18,981.98	2,632.59
Purchase of investments	(9,500.00)	(37,059.81)
Purchase of intangible assets	(4.39)	(22.02)
Purchase of intangible assets under development	(0.13)	(21.46)
Net cash generated from/ (used in) investing activities (B)	13,585.06	(27,080.69)
C. Cash flows from financing activities		
Repayment of debt securities	(5,200.00)	(17,050.09)
Proceeds from borrowings (other than debt securities)	2,25,779.72	7,31,659.08
Repayment of borrowings (other than debt securities)	(1,84,904.92)	(7,26,722.87)
Proceeds from subordinated liabilities	(15,000.00)	-
Payment of interest on lease liabilities	(38.56)	(39.66)
Payment of principal on lease liabilities	(90.89)	(93.31)
Net cash generated from/ (used in) financing activities (C)	20,545.35	(12,246.85)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	37,992.10	(23,505.17)
Cash and cash equivalents as at the beginning of the year	43,647.55	93,896.05
Cash and cash equivalents as at the end of the period	81,639.65	70,390.88
Components of cash and cash equivalents:		
Cash on hand	24.63	51.39
Balances and deposits with banks	81,615.02	70,339.49
Cash and cash equivalents	81,639.65	70,390.88



Notes:-

- 3 The aforesaid 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 its meetings held on November 12, 2025.
- 4 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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Any application guidance/ clarification/ directions issued by the Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
- 5 The Company has applied its accounting policies and methods of computation in the preparation of these financial results which are consistent with those followed in the annual financial statements for the year ended March 31, 2025.
- 6 The above unaudited financial results for quarter ended September 30, 2025 and half year ended September 30, 2025 have been subjected to limited review by the statutory auditor. The statutory auditor have expressed an unmodified conclusion thereon.
- 7 The Company has allotted 5,00,000 equity shares of ₹10 each to Arohan ESOP Trust at a price of ₹148.35 (including securities premium of ₹138.35 per share) aggregating to ₹741.75 Lakhs.
- 8 Details of loan transferred/ acquired during the quarter ended September 30, 2025 vide RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 as amended on transfer of loan exposures are given below:
 - (i) The Company has transferred loans not in default through direct assignment transaction during the quarter ended September 30, 2025.

Particulars	To Banks/ NBFC's
Number of loans	58,616
Aggregate amount of loans transferred (₹ in lakhs)	18,546.98
Sale consideration (₹ in lakhs)	18,546.98
Number of transactions	2
Weighted average residual maturity (in months) (*)	17.74
Weighted average holding period by the originator (in months)	6.93
Retention of beneficial economic interest by the originator	10.06% to 13.48%
Tangible security coverage	Not Applicable
Rating-wise distribution of rated loans	Not Applicable
Number of instances where it has agreed to replace loans	Not Applicable
Number of instances where it has agreed to pay damages arising out of any representation or warranty	Not Applicable

(*) residual maturity from the time of transfer

(ii) The Company has not acquired any stressed loans during the quarter ended September 30, 2025.

(iii) The Company has acquired loans not in default during the quarter ended September 30, 2025.

Particulars	Amount (₹ in lakhs)
Aggregate principal outstanding of loans acquired	13,444.68
Aggregate consideration paid	13,444.68
Weighted average residual tenor of loans acquired (in months) (*)	9.33

(*) residual maturity from the time of transfer

(iv) (a) The Company has not transferred non performing assets (NPA) and (special mention account) SMA loans during the quarter ended September 30, 2025.

(b) Security receipts (SRs) held and recovery ratings assigned to such SRs by the credit rating agency.

Particulars	Category of recovery ratings	As at September 30, 2025 (₹ In lakhs)
Security Receipts under trust floated by ARC (FY 23-16)	IND RR3 (50%-75%)	2,000.00
Security Receipts under trust floated by ARC (FY 23-36)	IND RR3 (50%-75%)	2,065.93

The Company has not transferred any stressed loans to Asset Reconstruction Companies ('ARCs') during the quarter ended September 30, 2025. The Company had sold loans to an ARC in previous financial years and Security Receipts ('SRs') were received as considerations for the transfer of loans. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement/ classification approach and expected credit loss (ECL) has been recognized in a similar manner as applicable to the underlying loans. As at September 30, 2025, gross carrying amount of SRs is ₹4,065.93 lakhs, impairment loss allowance on SRs is ₹2,900.00 lakhs and net carrying amount of SRs is ₹1,165.93 lakhs.

- 9 The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108-"Segment Reporting". The Company operates in a single geographical segment i.e. domestic. The Company is not reliant on revenues from transactions with any single external customer. The Company does not have operations outside India and hence there is no external revenue or assets which require disclosure.
- 10 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- 11 The figures for the quarter ended September 30, 2025 are the balancing figures between half year ended September 30, 2025 and quarter ended June 30, 2025. Further, the figures for the quarter ended September 30, 2024 are the balancing figures between the half year ended September 30, 2024 and the quarter ended June 30, 2024.

By order of the Board
For Arohan Financial Services Limited

Mandeep Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata
Date: November 12, 2025

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



Arohan Financial Services Limited

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter and half year ended September 30, 2025.

Annexure 1

Sl. No	Particulars	Ratio
A	Debt-equity ratio ⁽¹⁾	2.39
B	Debt service coverage ratio ⁽²⁾	Not Applicable
C	Interest service coverage ratio ⁽²⁾	Not Applicable
D	Debt 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⁾	2,04,225.30
H	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	1,952.56
	(ii) For the half year ended	2,426.58
I	Earnings per share (not annualised) (in ₹)	
	(i) Basic	
	For the quarter ended	1.28
	For the half year ended	1.59
	(ii) Diluted	
	For the quarter ended	1.28
	For the half year ended	1.59
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 ⁽⁸⁾	69.08%
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	5.12%
	(ii) For the half year ended	3.25%
S	Sector specific equivalent ratios, as applicable	
	(i) Capital Adequacy Ratio ⁽⁹⁾	34.51%
	(ii) Gross stage 3 Ratio ⁽⁹⁾	2.00%
	(iii) Net stage 3 Ratio ⁽¹⁰⁾	0.52%
	(iv) Provision coverage ratio (PCR) ⁽¹¹⁾	74.54%

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/ Debt redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(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 revenue
- 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)
- Provision coverage ratio = total impairment loss allowance for stage 3 / Gross stage 3 loan EAD

By order of the Board
For Arohan Financial Services Limited

Manoj Kumar Nambiar
Managing Director
DIN: 03172919

Place: Kolkata

Date: November 12, 2025

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