

About Arohan Financial Services Unlisted Equity

- A)** Arohan Financial is a leading NBFC-MFI with branches in underserved and lower-income states in India. The Company provides income-generating loans and other financial inclusion products to customers who have limited or no access to financial services.
- B)** Arohan Financial was incorporated in 2006 and is the largest NBFC-MFI in Eastern India and the fifth largest NBFC-MFI in India in terms of total loan portfolio as of September 30, 2020. Arohan Financial has a mature business model with a well-established risk management framework, loan approval process, and restructuring measures.
- C)** As of March 2023, the Company's Total Loan Portfolio ("GLP") is approximately Rs 5,357 crore. Over the last three years, it has had the second-highest compound annual growth rate of loan portfolio at 68.00% among the top five NBFC MFIs in India.
- D)** As of March 2023, Arohan Financial's branch network for microfinance business comprises 829 branches across 11 states and its branch network for MSME lending business comprises 10 branches across 8 states.
- E)** In its microfinance portfolio, the company has 97% women clients to whom it lends.
- F)** The promoters of the company are Aavishkaar Venture Management Services Private Limited ("AVMS") and Intellectual Capital Advisory Services Private Limited ("I-Cap"). Other institutional investors include Tano India Private Equity Fund II, Maj Invest Financial Inclusion Fund II K/S, Michael & 137 Susan Dell Foundation, TR Capital III Mauritius, ASK Financial Holding Private Limited, and Kiran Vyapar Limited.
- G)** Arohan Financial's revenue for FY23 is 1,090 crores, PAT is 700 crores and gross NPA is 2.80%. **H)** Book value as of 31 March 2023 = 90, EPS = 6.

Hence, shares are available at INR 155, P/E ratio of 25x and P/B multiple of 1.72x, which is reasonable. The company has recently filed for DRHP to do an IPO.

Fundamentals

Fundamentals			
Arohan Financial Services	185 Per Equity Price	Market Cap (in cr.)	22912.09
Unlisted Shares Price		P/E Ratio	9.27
Lot Size	1000 Share	P/B Ratio	1.52
52 Week High	195	Debt to Equity	2.93
52 Week Low	178	ROE (%)	16.4
Depository	NSDL & CDSL	Book Value	121.62
PAN Number	AAECA6121D	Face Value	10
ISIN Number	INE808K01017		
CIN Number	U74140WB1991PLC053189		
RTA	N/A		

Financials (Figures in cr)

P&L Statement				
P&L Statement	2021	2022	2023	2024
Interest Earned	945	858	930.96	1380
Other Income	68	62	160.02	254
Interest Expanded	467	402	468.64	592
Operating Expenses	251	294	334.98	451
Provision and Contingencies	503	136	192.64	179
PAT	-160	61	70.71	314
EPS	-13.33	5.08	4.7	119.95
Gross NPA	11.23	4.5	2.8	1.64
Net NPA	3.96	1.32	0.21	0
Financial Ratios	2021	2022	2023	2024
Advances	3925	3710	4782.21	6616
Book Value	89.83	85.25	88.98	121.62
P/B	1.84	2.17	2.08	1.52
ROE (%)	-14.84	5.96	5.28	16.4

Balance Sheet				
Assets	2021	2022	2023	2024
Fixed Assets	5	4	5.3	11
Cash And Balances	1350	1308	556.56	1268
Investments	0	0	78.77	90
Advances	3925	3710	4782.21	6616
Other Assets	2201	207	595.3	130
Total Assets	5481	5229	6018.14	8115
Liabilities	2021	2022	2023	2024
Share Capital	120	1220	150.38	157.41
FV	10	10	10	10
Reserves	958	903	1187.63	1757
Borrowings	4204	3694	3809.36	5617
Deposits	0	0	0	0
Other Liabilities	199	512	870.77	583.59
Total Liabilities	5481	5229	6018.14	8115

Cash-Flow Statement				
Cash- Flow Statement	2021	2022	2023	2024
PBT (%)	-217	82	89.95	412
OPBWC	292	202	266.6	670
Term Deposit	0	0	0	0
Change in Investment	0	0	0	0
Change in Advances	-96	80	-1263.19	-1972
Change in Deposit	0	0	0	0
Other Changes	-18	-16	66.99	76
Working Capital Change	-114	64	-1196.2	-1896
Cash Generated From Operations	178	266	-929.6	-1226
Tax	64	42	-6.42	4
Cash Flow From Operations	114	224	-923.18	-1230
Purchase of PPE	-1.36	-0.97	-3.01	-7
Sale of PPE	-1.09	0.026	0.004	0
Purchase of Investment	0	0	-78.72	-52
Sale of Investment	0	0	0	0
Others	0.45	-162	-25.08	48
Cash Flow From Investment	-2	-162.94	-106.81	-11
Proceeds From Borrowing	5135	4670	6441.69	9350
Repayment of Borrowing	-4940	-4458	-6055.44	-7960
Divided	0	0	0	0
Proceeds From Equity	168	1.22	248	0.09
Other From Financing	-6	-479.86	-1.33	232.91
Cash Flow From Financing	357	-266.64	632.92	1623
Net Cash Generated	469	-205.58	-397.07	382
Cash at the Start	688	1159	953.62	556
Cash at the End	1157	953.42	556.55	938