ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014

CIN:L55910GJ1992PLC018623 Ph-079-40507000; E-mail: finance@armanindia.com; Website: www.armanindia.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER YEAR ENDED ON JUNE 30, 2020

(Rs. In Lakhs except per share data)

Sr.No.	Particulars	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unudited	Refer Note-7	Unudited	Audited
1	**Income from operations**				
	a. Revenue from Operations				
	i. Interest Income	4,745.79	4,825.27	4,605.23	20,037.87
	ii. Gain on assignment of financial assets	-	450.33	-	450.33
	iii. Fees and Commision income	120.53	200.45	130.98	646.04
	iv. Net Gain on Fair Value Changes of Investment Marked To Market	39.41	5.45	42.08	16.46
	Total revenue from Operations	4,905.73	5,481.50	4,778.29	21,150.70
	b. Other Income	32.97	73.19	41.24	364.00
	Total Income	4,938.70	5,554.69	4,819.53	21,514.70
2	**Expenses**				
	a. Finance cost	2,234.87	2,488.61	1,871.61	8,759.37
	b. Impairment losses on financial assets	1,024.43	1,193.14	148.05	2,000.85
	c. Employees benefits expense	829.88	1,062.74	800.63	3,645.68
	d. Depreciation and amortisation expense	20.73	21.02	15.85	79.84
	e. Other expenses	166.06	493.64	365.09	1,651.35
	Total Expenses	4,275.97	5,259.15	3,201.23	16,137.09
3	**Profit / (Loss) before an Exceptional and Tax (1-2)**	662.73	295.54	1,618.30	5,377.61
4	Exceptional Items	-	-	-	-
5	**Profit / (Loss) before Tax (3 - 4)**	662.73	295.54	1,618.30	5,377.61
6	**Tax Expense (net)**				
	- Current tax	408.90	80.98	448.78	1,423.40
	- Short / (excess) Provision of Income Tax of earlier years	-	(2.78)	-	(2.78)
	- Deffered tax liability / (asset)	(277.03)	(163.20)	(41.52)	(195.00)
	Net Tax Expenses	131.87	-85.00	407.26	1,225.62
7	**Profit for the period / year from continuing operations (5-6)**	530.86	380.54	1,211.04	4,151.99
8	**Profit / (loss) from discontinued operations**	-	-	-	-
9	**Tax expense of discontinued operations**	-	-	-	-
10	**Profit / (loss) from discontinued operations (after tax) (8-9)**	-	-	-	-
11	**Profit for the period / year (7+10)**	530.86	380.54	1,211.04	4,151.99
12	**Other comprehensive income / (loss)**				
	(a) (i) Items that will not be reclassified to profit and loss				
	- Remeasurement of Defined Benefit Obligations	(2.92)	(6.61)	(1.68)	(11.67)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.73	1.64	0.49	2.94
	Sub Total (a)	(2.19)	(4.97)	(1.19)	(8.73)
	(b) (i) Items that will be reclassified to profit and loss				
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI	(6.81)	70.14	(71.18)	85.68
	(ii) Income tax relating to items that will be reclassified to profit and loss	1.71	(20.30)	20.73	(24.29)
	Sub Total (b)	(5.10)	49.84	(50.45)	61.39
	Net Other comprehensive income / (loss) (a)+(b)	(7.29)	44.87	(51.64)	52.66
13	**Total Comprehensive Income**	523.57	425.41	1,159.40	4,204.65
	Paid up Equity Share capital (face value of Rs. 10/-)	845.09	845.09	695.23	845.09
14	**Earnings per share (of Rs. 10/- Each)(Not Annualised)**				
	(a) Basic EPS	6.28	5.11	17.42	55.80
	(b) Diluted EPS	6.26	5.09	13.73	55.54

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

Notes

1 The unaudited consolidated financial results of the Arman Financial Services Limited (the 'Parent') and its subsidiary (collectively referred to as the 'Group') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34. Interim Financial Reporting prescribed under Section 133 of the Companies Act. 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications / directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are Issued/ applicable.

2 The unaudited consolidated financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at it's meeting held on August 29, 2020.

3 In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter ended June 30, 2020 has been earned out by the Statutory Auditors.

4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Group has offered Loan moratorium on the payment of all principal instalments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Group continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Group has excluded the moratorium period from the number of days past due for the purposes of asset classification as per the Company's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities and the responses of businesses and consumers, along with the associated impact on the global economy. The Group has been duly servicing it's debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run it's business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended March 31, 2020, the Group has, based on current available Information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at June 30, 2020 aggregates Rs. 2973.37 lakhs (as at March 31, 2020 Rs. 1950.95 lakhs) which includes potential Impact on account of the pandemic of Rs. 1035.57 lakhs for the quarter ended June 30, 2020. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.

The extent to which the COVID-19 pandemic will Impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition Asset Classification And Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Group exceeds the total provision required under IRACP (including standard assets provisioning), as at June 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

6 The Group is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.

7 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.

8 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

For and on behalf of the Board,
ARMAN FINANCIAL SERVICES LIMITED

Date: 29.08.2020
Place: Ahmedabad

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

Jayendra Patel
Vice Chairman & Managing Director
DIN-00011814

LIMITED REVIEW REPORT ON UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL RESULTS OF ARMAN FINANCIAL SERVICES LIMITED UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
TheBoard of Directors of
Arman Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Arman Financial Services Limited **(the 'Parent')** and its subsidiary **(the Parent and its subsidiary together referred to as the 'Group')** for the quarter ended June 30, 2020 **(the 'Statement'),** being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(the 'SEBI Listing Regulations').**

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's 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 33 of the SEBI Listing Regulations. Our responsibility is to express a conclusion 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Company	**Relationship**
Namra Finance Limited	Wholly owned Subsidiary

5. Attention is drawn to the fact that the figures for the three months ended March 31, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

SAMIR M. SHAH & ASSOCIATES
PARTNER
FRN 122377W
CHARTERED ACCOUNTANTS

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 8 below, 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 33 of the SEBI Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Attention is drawn to Note No 4 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at June 30, 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, the extent to which the Covid-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain.

   Our conclusion on the Statement is not modified in respect of this matter.

8. Attention is drawn to Note No. 7 the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

9. We did not review the interim financial information of a subsidiary included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 3,334.28 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 266.19 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 264.87 lakhs, for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditor whose report has been furnished to us by management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of this matter.

For,Samir M Shah & Associates
Chartered Accountants,
[Firm Regd. No. 122377W]

Place: Ahmedabad
Date: 29.08.2020

Samir Shah

(Samir M Shah)
Partner
[M. No. 111052]
UDIN: 20111052AAAAMK9253

ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014 GUJARAT
CIN:L55910GJ1992PLC018623 Ph-079-40507000; E-mail: finance@armanindia.com; Website: www.armanindia.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2020

(Rs. In Lakhs except per share data)

Sr.No.	Particulars	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unudited	Refer Note- 7	Unudited	Audited
1	**Income from operations**				
	a. Revenue from Operations				
	i. Interest Income	1,617.88	1,472.90	1,585.17	6,537.65
	ii. Gain on Assignment of Financial Assets	-	173.67	-	173.66
	Total revenue from Operations	1,617.88	1,646.57	1,585.17	6,711.31
	b. Other Income	65.73	68.38	31.40	298.86
	Total Income	1,683.61	1,714.95	1,616.57	7,010.17
2	**Expenses**				
	a. Finance cost	531.30	605.10	486.51	2,202.74
	b. Impairment on Financial Assets	447.14	408.96	62.48	668.79
	c. Employees benefits expense	257.41	362.03	301.04	1,323.12
	d. Depreciation and amortisation expense	2.71	2.83	2.49	11.15
	e. Other expenses	48.46	154.93	125.83	521.76
	Total Expenses	1,287.02	1,533.85	978.35	4,727.56
3	**Profit / (Loss) before an Exceptional and Tax (1-2)**	396.59	181.10	638.22	2,282.61
4	Exceptional Items	-	-	-	-
5	**Profit / (Loss) before Tax (3 - 4)**	396.59	181.10	638.22	2,282.61
6	**Tax Expense (net)**				
	- Current tax	199.00	31.09	160.13	516.10
	- Short / (excess) Provision of Income Tax of earlier years	-	0.78	-	0.78
	- Deffered tax liability / (asset)	(127.92)	(66.12)	(45.26)	(58.04)
	Net Tax Expenses	71.08	(34.25)	114.87	458.84
7	**Profit for the period / year from continuing operations (5-6)**	325.51	215.35	523.35	1,823.77
8	**Profit / (loss) from discontinued operations**	-	-	-	-
9	**Tax expense of discontinued operations**	-	-	-	-
10	**Profit / (loss) from discontinued operations (after tax) (8-9)**	-	-	-	-
11	**Profit for the period / year (7+10)**	325.51	215.35	523.35	1,823.77
12	**Other comprehensive income / (loss)**				
	(a) (i) Items that will not be reclassified to profit and loss				
	- Remeasurement of Defined Benefit Obligations	(1.22)	(1.80)	(1.02)	(4.87)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.31	0.44	0.30	1.23
	Sub Total (a)	(0.91)	(1.36)	(0.72)	(3.64)
	(b) (i) Items that will be reclassified to profit and loss				
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI	(6.75)	40.04	33.35	46.05
	(ii) Income tax relating to items that will be reclassified to profit and loss	1.70	(11.27)	(9.71)	- 12.81
	Sub Total (b)	(5.05)	28.77	23.64	33.24
	Net Other comprehensive income / (loss) (a)+(b)	(5.96)	27.41	22.92	29.60
13	**Total Comprehensive Income**	319.55	242.76	546.27	1,853.37
	Paid up Equity Share capital (face value of Rs. 10/-)	845.09	845.09	695.23	845.09
14	**Earnings per share (of Rs. 10/- Each) (Not Annualised)**				
	(a) Basic EPS	3.85	2.89	7.53	24.51
	(b) Diluted EPS	3.84	2.88	6.00	24.39

ARMAN FINANCIAL SERVICES LIMITED ★ AHMEDABAD

Notes

1 The unaudited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34. Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications / directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.

2 The unaudited standalone financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at it's meeting held on August 29, 2020.

3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter ended June 30, 2020 has been earned out by the Statutory Auditors.

4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has offered Loan moratorium on the payment of all principal instalments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Company has excluded the moratorium period from the number of days past due for the purposes of asset classification as per the Company's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities and the responses of businesses and consumers, along with the associated impact on the global economy. The Company has been duly servicing it's debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run it's business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended March 31, 2020, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at June 30, 2020 aggregates Rs. 1056.18 lakhs (as at March 31, 2020 Rs. 611.10 lakhs) which includes potential Impact on account of the pandemic of Rs. 463.06 lakhs for the quarter ended June 30, 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition Asset Classification And Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at June 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve

6 The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

7 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter

8 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification

For and on behalf of the Board,
ARMAN FINANCIAL SERVICES LIMITED

Date: 29.08.2020
Place: Ahmedabad

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

Jayendra Patel
Vice Chairman & Managing Director
DIN-00011814

Samir M. Shah & Associates

Samir M. Shah& Associates, Chartered Accountants
Corporate House : "Heaven" 8, Western Park Society,
Nr. Inductotherm, Bopal, Ahmedabad, Gujarat - 380 058 (India)
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URL : www.smshah.co.in

LIMITED REVIEW REPORT ON UNAUDITED QUARTERLY STANDALONE FINANCIAL RESULTS OF ARMAN FINANCIAL SERVICES LIMITED UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
TheBoard of Directors of
Arman Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Arman Financial Services Limited for the quarter ended June 30, 2020 **(the 'Statement').**

2. This Statement, which is the responsibility of the Company's management and approved by theBoard of Directors, has been prepared in accordance with the recognition and measurement principleslaid 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 generallyaccepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(the'SEBI Listing Regulations')**. Our responsibility is to issue a report on the Statement based on ourreview.

3. We conducted our review of the Statement in accordance with the Standard on ReviewEngagements (SRE) 2410 'Review of Interim Financial Information Performed by theIndependent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. Thisstandard requires that we plan and perform the review to obtain moderate assurance as to whetherthe Statement is free of material misstatement. A review is limited primarily to inquiries ofcompany personnel and analytical procedures applied to financial data and thus provides lessassurance than an audit. We have not performed an audit and accordingly, we do not expressan audit opinion.

4. Attention is drawn to Note No 4 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at June 30, 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, the extent to which the Covid-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain.

   Our conclusion on the Statement is not modified in respect of this matter.

5. Attention is drawn to Note No. 7 the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

SAMIR M. SHAH & ASSOCIATES
PARTNER
FRN
122377W
CHARTERED ACCOUNTANTS

6. 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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For,Samir M Shah & Associates
Chartered Accountants,
[Firm Regd. No. 122377W]

SAMIR M. SHAH & ASSOCIATES
PARTNER
FRN
122377W
CHARTERED ACCOUNTANTS

samir shah

(Samir M Shah)
Partner
[M. No. 111052]
UDIN: 20111052AAAAMJ6828

Place: Ahmedabad
Date: 29.08.2020

Arman Financial Services Ltd.

Arman Financial Services Limited Reports its Q1 FY21 Financial Results

Consolidated AUM at ₹ 823 Crores; up 14% Y-o-Y

Collection Efficiency Improves to 80% in Aug'20 vis-à-vis 66% in June'20

Consolidated PAT Stood at ₹ 5.3 Crores (Covid Adjusted PAT at Rs 13.0 Crores)

Ahmedabad, India, 29 August 2020: Arman Financial Services Ltd (Arman), a Gujarat based non-banking financial company (NBFC), with interests in microfinance, two-wheelers, and micro-enterprise (MSME) loans, announced its financial results for the fourth quarter ended 30th June 2020.

Particulars (In ₹ Crores)	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Assets Under Management (AUM)	**823.1**	**724.1**	**14%**	**859.9**	**684.8**	**26%**
Total Disbursement	-	190.1	-	873.6	783.6	12%
Gross Total Income	49.4	48.2	2%	215.1	139.6	54%
Pre-Provisioning Operating Profit	**16.9**	**17.7**	**(4%)**	**73.8**	**42.7**	**73%**
Total Provisioning & Write-Offs	10.2	1.5	592%	20.0	6.5	207%
Provisioning & Write-Offs	*0.1*	*1.5*	*(96%)*	*13.3*	*6.5*	*105%*
Addl. COVID Specific Provisioning	*10.2*	*-*	*-*	*6.7*	*-*	*-*
Profit After Tax	**5.3**	**12.1**	**(56%)**	**41.5**	**26.4**	**57%**
Profit After Tax (Adj. for Covid Provision)	**13.0**	**12.1**	**7%**	**48.2**	**26.4**	**82%**
GNPA %	*1.1%*	*1.1%*	*6 bps*	*1.1%*	*1.0%*	*6 bps*
NNPA %	*0.1%*	*0.5%*	*(45 bps)*	*0.2%*	*0.5%*	*(28 bps)*
*RoE % **	*12.1%*	*36.0%*	*(2386 bps)*	*28.1%*	*29.7%*	*(161 bps)*
RoE %* (Adj. for Covid Provisioning)	***29.5%***	***36.0%***	***(648 bps)***	***32.6%***	***29.7%***	***291 bps***

Note: * RoE figures have been computed a fully diluted equity base and annualized for Q1 FY21 & Q1 FY20

Consolidated Financial Highlights – Q1 FY2021

- **Assets under management** as on 30th June'20 stood at ₹ 823 crores (+14% YoY). Nationwide Lockdown and the Covid-19 induced disruption led to disbursements being halted in Q1 FY21. This combined with the resumption of repayments from June onwards led to a run down in the loan book on a sequential basis.
- **Shareholders Equity** stood at ₹ 177.5 crores as on 30th June'20 (Book Value per Share is ₹ 211)
- **Comfortable Leverage Position:** Debt-Equity Ratio as on 30th June'20 was 4.0x (excludes direct assignment)
- **Net Total Income** declined by 8% YoY to ₹ 27.0 crores. No booking of processing fees in the absence of disbursements, softer yields in the microfinance segment, and negative carry cost owing to the company's focus on maintaining ample liquidity buffer given the uncertain environment adversely impacted the net total income.
- **Pre-Provisioning Operating Profit** stood marginally lower at ₹ 16.9 crores. The company took steps to rationalize the overheads. As a result, operating expenses have come down by 14% YoY to ₹ 10.2 crores, and cost-to-income ratio improved to 37.6% in Q1 FY21 (40.1% in Q1 FY20)
- **Provisions** for the quarter increased to ₹ 10.2 crores, as the company prudently created a contingency provision of ₹ 10.2 crores on account of Covid. Cumulative ECL Provisions stood at ₹ 29.7 Crore as on 30th June'20, covering 3.9% of the on-book AUM
- **Profit after tax** stood lower at ₹ 5.3 crores. Adjusted for the contingent Covid provisioning, Profit after tax would have stood at ₹ 13.0 crores (higher by 7% YoY), and the 2) ROE would have been 29.5%
- **Asset quality continued to remain robust – Consolidated GNPA stood stable at 1.1%; NNPA improved to 0.1%**

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- **Total operational branches** as on 30th June'20 stood at 211 (170 in MFI, 35 in MSME and 6 in 2W)

Update on Collections

Business Segment	June 2020	July 2020	Aug 2020*
Microfinance	59%	76%	75%
MSME	84%	95%	92%
Two-Wheeler	85%	97%	97%
Total Collection Efficiency %	**66%**	**82%**	**80%**

***:** August repayment rates are month-end estimates

- **Collections have improved significantly across all 3 segments since June 2020, reducing the loan book under moratorium.** Priority of the company remains on getting the repayment rates back to normal in the forthcoming months and it took significant strides towards achieving this objective in July and August 2020.
- August 2020 repayment rates have shown a minor decline compared to July 2020 owing to
  - Large number of festival and holidays during the month of August
  - Heavy rains in numerous areas of operations which created logistical issues
  - Continued intermittent lockdowns in several areas of operations

Update on Liquidity

- **Healthy Liquidity position with ₹ 141 crore in cash/bank balance, liquid investments, and undrawn CC limits**
- Pick-up in collections along with the incremental debt capital raised (₹ 75 crore since April'20) has materially improved the company's liquidity position. The company has repaid all the debt obligations that were due from June'20 onwards and also repaid the moratorium obligations of April & May 2020 (i.e. voluntarily cancelled moratorium) to reduce moratorium interest burden.

Update on Disbursements

- Gradually resumed disbursements from August 2020 onwards. In microfinance, the company is primarily renewing loans of existing customers who have made their repayments and completed their tenure. In the MSME & two-wheeler segments, the company has tightened the underwriting process.

Commenting on the company's performance in Q1 FY21, ***Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services Limited*** *said, "Arman delivered a resilient performance in Q1 FY21, despite being faced with substantial challenges in the form of a prolonged nationwide lockdown, a challenging & uncertain economic environment, and intermittent localized lockdowns and restrictions in some territories hampering operations. Post the lockdown, we have been successful in getting our operations back on track, ramping-up collections from the field, and rationalizing our operating expenditure.*

Further, in-keeping with our conservative approach, we strengthened our provision coverage by creating a contingent provision of ₹ 10.2 crores on account of Covid this quarter. Overall, cumulative Provisions stood at ₹ 29.7 Crore as on 30th June'20; this will help us to deal with any possible impairments on account of Covid in the future. The company will continue creating further reserves on account of Covid in future quarters, if required. Considering the uncertain environment, we chose to maintain ample liquidity buffer thereby adversely impacting our NII owing to the negative carry cost, which has continued to increase due to increased cash reserves and reduction in liquid investment returns. Our asset quality continued to remain unchanged due to RBI announced moratorium, with Net NPA improving to 0.1% due to a minor decline in Portfolio. Adjusted for the contingent Covid provision, Net Profit for the quarter stood at ₹ 13.0 crores.

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Most importantly, collections across all the 3 segments improved significantly since June 2020. Repayment rates for August 2020 dues are expected to close at 75% for the MFI segment; 92% for the MSME segment; and 97% for the 2-wheeler segment. It is especially encouraging to see the strong pick-up in collections in the MSME and 2W segments..

Going forward, our foremost priority will be on improving our collections from the field and maintaining ample liquidity. Our target is to achieve 90% repayment rates by the end of the third quarter. Further, we are also focusing on scaling-up our disbursements in a calibrated manner with tighter credit screens in place. While it is difficult to predict the trajectory the pandemic will take over the coming months, we feel that the worst is behind operationally speaking. On the whole, we are confident that we will be able to successfully navigate our way through this storm and emerge stronger.

Segmental Performance Update – Q1 FY21 v/s. Q1 FY20

Microfinance - Financial Highlights

Particulars (In ₹ Crores)	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Assets Under Management	**605.1**	**513.7**	**18%**	**621.5**	**483.8**	**28%**
Total Disbursement	-	139.5	-	653.1	589.6	11%
Gross Total Income	33.3	32.4	3%	148.4	94.0	58%
Pre-Provisioning Operating Profit	**9.0**	**11.0**	**(18%)**	**46.2**	**25.9**	**79%**
Total Provisioning & Write-Offs	5.8	0.9	575%	13.3	3.7	259%
Provisioning & Write-Offs	0.1	0.9	(94%)	8.8	3.7	137%
Addl. COVID Specific Provisioning	5.7	-	-	4.5	-	-
Profit After Tax	**2.7**	**7.2**	**(63%)**	**25.2**	**15.7**	**61%**
Profit After Tax (Adj. for Covid Provision)	**7.0**	**7.2**	**(3%)**	**29.7**	**15.7**	**90%**
GNPA %	*0.9%*	*0.7%*	*27 bps*	*0.9%*	*0.5%*	*38 bps*
NNPA % (after ECL Impact)	*0.0%*	*0.2%*	*(20 bps)*	*0.0%*	*0.1%*	*(5 bps)*

- **MFI AUM stood at ₹ 605.1 crores – higher by 18% vis-à-vis last year**
- Gross NPA % was slightly higher at 0.9% in Q1 FY21. Post ECL adjustment, NNPA % stood at 0.00% since the entire NPA has been completely provided for.
- Beefed up provision coverage by earmarking ₹ 5.72 crore as contingent provision for Covid this quarter. Cumulative ECL Provisions as of 30 June'20 stood at ₹ 19.17 crore covering 3.4% of the on-book AUM
- Adjusted for the contingent Covid provisioning, Profit After Tax stood at ₹ 7.0 crores

Two-Wheeler & MSME – Financial Highlights

Particulars (In ₹ Crores)	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Assets Under Management	218.0	210.4	4%	238.4	201.0	19%
Total Disbursement	-	50.6	-	220.5	194.0	14%
Gross Total Income	16.8	16.2	4%	70.1	48.4	45%
Pre-Provisioning Operating Profit	**8.4**	**7.0**	**20%**	**29.5**	**18.5**	**60%**
Total Provisioning & Write-Offs	4.5	0.6	616%	6.7	2.8	138%
Provisioning & Write-Offs	-	0.6	-	4.5	2.8	60%
Addl. COVID Specific Provisioning	4.5	-	-	2.2	-	-
Profit After Tax	**3.3**	**5.2**	**(38%)**	**18.2**	**12.4**	**48%**
Profit After Tax (Adj. for Covid Provision)	**6.6**	**5.2**	**26%**	**20.4**	**12.4**	**65%**
GNPA %	*1.6%*	*2.0%*	*(41 bps)*	*1.5%*	*2.2%*	*(69 bps)*
NNPA %	*0.3%*	*1.3%*	*(102 bps)*	*0.7%*	*1.5%*	*(79 bps)*

- **2W & MSME AUM increased by 4% YoY to ₹ 218.0 crores in Q1 FY21**

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  - MSME book grew by 22% YoY to ₹ 135.7 crores
  - 2W AUM stood lower at ₹ 82.3 crores, as the 2W sales declined in the previous year due to the challenging economic environment and drastically declined in Q1 due to the nation-wide lockdown.
- **Pre-Provisioning Operating Profit** grew by 20% YoY to ₹ 8.4 crores aided by higher contribution from the MSME business and efficient cost management
- **Asset quality improved** as GNPA % and NNPA % stood lower at 1.6% and 0.3%, respectively, owing to increased provisioning and reduced portfolio.
- **Provisions** increased in Q1 FY21 owing to creation of contingent Covid provision, and higher standard provisioning on the MSME book of 1.0% versus 0.4% earlier resulting in additional 0.6% provision on standard assets for possible future Covid impairments. Adjusted for contingent Covid provisioning, Q1 FY21 PAT stood at ₹ 6.6 crores - higher by 26% YoY
- Cumulative ECL Provisions stood at ₹ 10.6 crores as on 30 June'20, covering 5.1% of the on-book AUM

About Arman Financial Services Limited

Arman Financial Services Ltd (BSE: 531179) is a category 'A' Non-Banking Finance Company (NBFC) active in the 2-Wheeler, MSME, and Microfinance Lending business. The Microfinance division is operated through its wholly-owned subsidiary, Namra Finance Ltd, an NBFC-MFI. The group operates mostly in unorganized and underserviced segment of the economy and mostly serves niche rural markets in Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Uttarakhand, and Rajasthan through its network of 211 branches and 55+ dealer touchpoints.

Arman's big differentiator from a Bank and other NBFCs is the last mile credit delivery system. They serve areas and clients where it is simply not possible for banks to provide financial services under the current market scenario. For more information, please visit our web site www.armanindia.com.

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Director

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

Arman Financial Services Ltd.

Arman Financial Services Ltd.

Q1 FY21 - Investor Presentation

September 2020

DISCLAIMER

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Arman Financial Services Ltd will not be in any way be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

CONTENTS

Arman Financial Services Ltd.

Arman Financial Services Ltd.

Financial Performance Update – Q1 FY21

Q1 FY21 - Financial Performance Highlights

✓ Total AUM increased by 14% YoY to INR 8,231 Mn (Q1 FY20 AUM: INR 7,241 Mn)

✓ Shareholders Equity Stood at INR 1,775 Mn in Q1 FY21 (BVPS is INR 210)
Consolidated Debt-Equity Ratio stood at 4.0x on 30 June’20 (exclude direct assignment)

✓ Q1 FY21 Net Total Income at INR 270 Mn; and Pre-Provisioning Operating Profit at INR 169 Mn

✓ Operating expenses declined by 14% YoY to INR 102 Mn
Cost-to-income ratio expanded by ~250 bps YoY to 37.6% in Q1 FY21 (40.1% in Q1 FY20)

✓ Profit After Tax stood at INR 53 Mn in Q1 FY21
Adjusted for the contingent Covid provision, the Q1 FY21 Profit After Tax stood at INR 130 Mn (+7% YoY)

✓ Cumulative Provisions stood at INR 297 Mn (3.9% of the on-book AUM)
Strengthened Provision Coverage by creating contingent Covid Provision of INR 102 Mn during the quarter

Impact of Covid-19 Pandemic on the Operations

Impact on Loan Losses & Provisions, and Profitability

All Figures in INR Mn	Q1 FY21					FY20				
Business Segment	Reported PAT	Contingent Provisioning (COVID)	COVID Adjusted PAT	Adjusted ROAA %	Adjusted ROAE*	Reported PAT	Contingent Provisioning (COVID)	COVID Adjusted PAT	Adjusted ROAA %	Adjusted ROAE*
Consolidated	53	102	130	6.2%	29.5%	415	67	482	6.2%	32.6%
Microfinance	27	57	70	4.5%	23.7%	252	45	297	5.4%	30.9%
Standalone	33	45	66	11.6%	43.1%	182	22	204	9.3%	39.7%

Note: ROAE refers to Return on Avg. Equity; ROAA refers to Return on Avg. AUM

Update on Liquidity

- **Healthy Liquidity position with INR ~1,410 Mn in cash/bank balance, liquid investments, and undrawn CC limits**
- Successfully raised INR 750 Mn since April 2020
- Liquidity position has improved driven by the pick-up in collections and the incremental debt capital raised since the start of April. Consequently, the company has repaid all the debt obligations that were due from June'20 onwards and also repaid the moratorium obligations of April & May 2020 (i.e. voluntarily cancelled moratorium) to reduce moratorium interest burden

Update on Disbursements

- **Gradually resumed disbursements across all segments from August 2020 onwards**
  - In microfinance, the company is primarily renewing loans of existing customers who have made their repayments and completed their tenure.
  - In the MSME & two-wheeler segments, the company has slowly started disbursing with a more stringent underwriting process

Update on Collections

Update on Collections

- **Collections have improved across all 3 segments since June 2020, reducing the loan book under moratorium *(details given in the table below)***
  - Healthy pick-up witnessed in 2W and MSME collections in July and August 2020; with both segments witnessing over 90% repayment rates, the moratorium book is now in single digits as % of the standalone loon book
  - August 2020 repayment rates have shown a minor decline compared to July 2020 owing to - 1) Many festivals and holidays falling in the month of August; 2) Heavy rains in numerous areas of operations which created logistical issues; and 3) Continued intermittent lockdowns in several areas of operations
- **Cumulative Provisions stood at INR 297 Mn as of 30th June 2020 covering 3.9% of the on-book AUM**
  - **Namra:** Cumulative Provisions stood at INR 192 Mn as of 30th June 2020 covering 3.4% of the on-book AUM (June'20)
  - **Standalone:** Cumulative Provisions stood at INR 105 Mn as of 30th June 2020 covering 5.1% of the on-book AUM (June'20)
- ***"Overall, the collection efficiency is expected to improve significantly over the next 2-3 months as the unlocking of economy gains pace, restrictions are further relaxed, and the RBI moratorium period comes to an end."***

Collection Efficiency % (June – August 2020)

Business Segment	Collections Due (Jun'20)	Amount Collected (Jun'20)	Collection Efficiency % (Jun'20)	Collections Due (July'20)	Amount Collected (July'20)	Collection Efficiency % (July'20)	Collections Due * (Aug'20)	Amount Collected * (Aug'20)	Collection Efficiency % * (Aug'20)
Total	**884**	**580**	**66%**	**863**	**694**	**81%**	**844**	**666**	**80%**
Microfinance	672	393	59%	657	497	76%	651	485	75%
MSME	140	119	85%	139	132	95%	129	119	92%
Two-wheeler	72	68	95%	68	66	97%	63	61	97%

Note: All the amounts are in INR Mn. * August repayment rates are month-end estimates

Q1 FY21 – Consolidated Profit & Loss Statement

Particulars (INR Mn)	Q1 FY21	Q1 FY20	*YoY (%)*	FY20	FY19	*YoY (%)*
Assets Under Management (AUM)	**8,231**	**7,241**	***14%***	**8,599**	**6,848**	***26%***
Disbursements	**-**	**1,901**	***-***	**8,736**	**7,836**	***12%***
Shareholder's Equity *	**1,775**	**1,356**	***31%***	**1,722**	**1,232**	***40%***
Income from Operations	490.6	477.8	*3%*	2,115.1	1,398.1	*52%*
Other Income	3.3	4.1	*(20%)*	36.4	6.7	*442%*
Gross Total Income	**493.9**	**482.0**	***2%***	**2,151.5**	**1,395.8**	***54%***
Finance Costs	223.5	187.2	*19%*	875.9	583.4	*50%*
Net Total Income (NTI)	**270.4**	**294.8**	***(8%)***	**1,275.5**	**812.5**	***57%***
Employee Benefits Expenses	83.0	80.1	*4%*	364.6	256.4	*42%*
Depreciation and Amortisation	2.1	1.6	*31%*	8.0	4.8	*65%*
Other Expenses	16.6	36.5	*(55%)*	165.1	123.8	*33%*
Pre-Provision Operating Profit	**168.7**	**176.6**	***(4%)***	**737.8**	**427.4**	***73%***
Regular Provisions & Write-offs	0.5	14.8	*(96%)*	133.3	65.1	*105%*
Additional Covid-Specific Provision	101.9	-	-	66.8	-	-
Profit Before Tax	**66.3**	**161.8**	***(59%)***	**537.8**	**362.3**	***48%***
Profit After tax	**53.1**	**121.1**	***(56%)***	**415.2**	**264.3**	***57%***
Profit After tax (Adjusted for Covid Provision)	**129.9**	**121.1**	***7%***	**482.0**	**264.3**	***82%***
GNPA %	*1.1%*	*1.1%*	*6 bps*	*1.1%*	*1.0%*	*6 bps*
NNPA %	*0.1%*	*0.5%*	*(45 bps)*	*0.2%*	*0.5%*	*(28 bps)*
Return on Avg. AUM %	*2.5%*	*6.9%*	*(435 bps)*	*5.4%*	*4.6%*	*73 bps*
*Return on Avg. Equity % **	*12.1%*	*36.0%*	*(2386 bps)*	*28.1%*	*29.8%*	*(161 bps)*

Note:
- ** Fully-diluted equity base*
- There may be minor variations between Namra + Standalone figures and the consolidated figures due to eliminations / knock-offs
- *RoE = PAT / Avg. Fully Diluted Equity;* GNPA % = GNPA / AUM *(On + Off-Book);* NNPA % = NNPA / AUM *(On + Off-Book). RoE and Return on Avg. AUM figures are annualized*

Q1 FY21 – Microfinance "Namra" Performance Update

Particulars (INR Mn)	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Asset Under Management	**6,051**	**5,137**	***18%***	**6,215**	**4,838**	***28%***
Disbursements	**-**	**1,395**	**-**	**6,531**	**5,896**	***11%***
Income from Operations	330.6	320.1	*3%*	1,458.5	934.8	*58%*
Other Income	2.8	4.1	*(32%)*	25.6	5.0	*417%*
Gross Total Income	**333.4**	**324.3**	***3%***	**1,484.2**	**939.8**	***58%***
Finance Costs	172.2	139.3	*24%*	670.3	438.2	*53%*
Net Total Income (NTI)	**161.2**	**184.9**	***(13%)***	**813.9**	**501.6**	***62%***
Employee Benefits Expenses	57.2	49.9	*15%*	232.3	161.9	*43%*
Depreciation and Amortisation	1.8	1.3	*35%*	6.9	3.7	*83%*
Other Expenses	11.8	24.0	*(51%)*	113.0	77.4	*46%*
Pre-Provision Operating Profit	**90.4**	**109.7**	***(18%)***	**461.8**	**258.6**	***79%***
Regular Provision & Write-offs *	0.5	8.6	*(94%)*	87.9	37.1	*137%*
Addl. Covid-Spec Provision	57.2	-	-	45.3	-	-
Profit After Tax	**26.6**	**71.9**	***(63%)***	**252.0**	**156.8**	***61%***
Profit After Tax (Adj. for Covid Provision)	**69.5**	**71.9**	***(3%)***	**297.3**	**156.8**	***90%***
GNPA %	*0.9%*	*0.7%*	*27 bps*	*0.9%*	*0.5%*	*38 bps*
NNPA % (after ECL impact)	*0.0%*	*0.2%*	*(20bps)*	*0.1%*	*0.0%*	*(5 bps)*
Return on Avg. AUM %	*1.7%*	*5.8%*	*(403 bps)*	*4.6%*	*3.9%*	*64 bps*
Return on Avg. Equity %	*9.3%*	*35.0%*	*(2,579 bps)*	*26.2%*	*27.1%*	*(92 bps)*

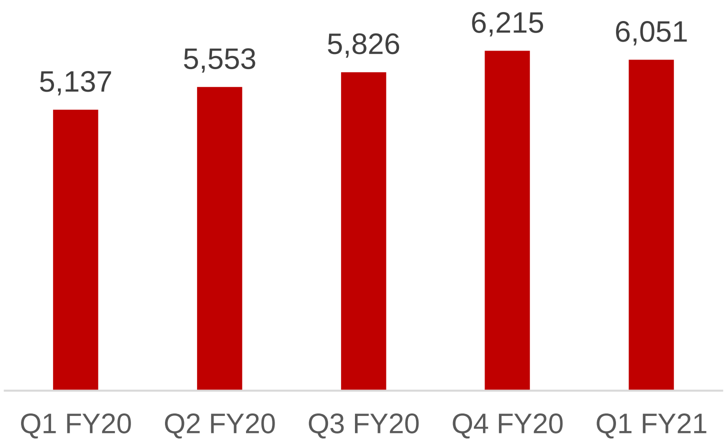
- **Microfinance AUM grew by 18% YoY to INR 6,051 Mn**
  - Active MFI Customer base stood at ~3.7 Lakhs in Q1 FY21 (+23% YoY)
  - Nation-wide Lockdown and the Covid induced disruption led to the disbursements being halted during the quarter.
- Gradually begun disbursements from August onwards - renewing loans of customers that have made their repayments and completed their tenure
- Net Total Income Declined by 13% YoY to INR 161.2 Mn due to softer yields, and no processing fees being booked in the absence of disbursements. Further, the company chose to maintain ample liquidity buffer given the uncertain environment which resulted in a negative carry cost.
- **Net Profit came in lower primarily due to recognition of higher provisions**
  - Recognized contingent Covid provision of INR 57.2 Mn
- **Adjusted for the Covid provisioning, Profit After Tax have stood at INR 69.5 Mn in Q1 FY21**
  - Q1 FY21 Adjusted ROE : 23.7% (as against 9.3%)
  - Q1 FY21 Adjusted ROAA : 4.5% (as against 1.7%)
- GNPA and NNPA (post ECL adjustment) stood steady at 0.9%.and 0.0%
- ***Repayment rates picked-up significantly since June'20 – repayment rates for July'20 were 76% and are expected to close at ~75% for Aug'20* as compared to 59% in June'20.***
- ***Cumulative Provisions on 30th June'20 stood at INR 192 Mn covering 3.4% of on-book AUM (June'20)***

Note:

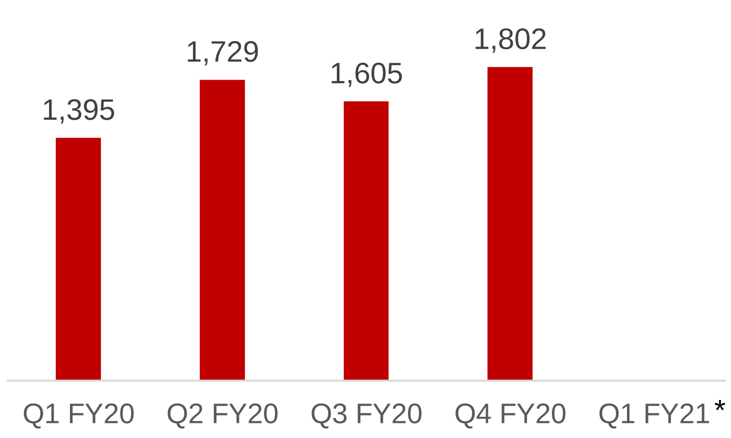
- * August repayment rates are month-end estimates
- Income from Operations includes: Interest Income on loans and managed assets; processing fees, and other charges in respect of loans. Other Income includes capital gains on liquid funds
- NIM = NTI / Avg. AUM (On + Off-Book); Yields = Gross Interest Income / Avg. AUM (On + Off-Book); Cost-to-Income Ratio = Opex (excl. provisions) / Net Total Income; RoE = PAT / Avg. Equity; GNPA % = GNPA / AUM (On + Off-Book) ; NNPA % = NNPA / AUM (On + Off-Book); NIM %. RoE and Return on Avg. AUM figures are annualized

Q1 FY21 - Microfinance Performance Update

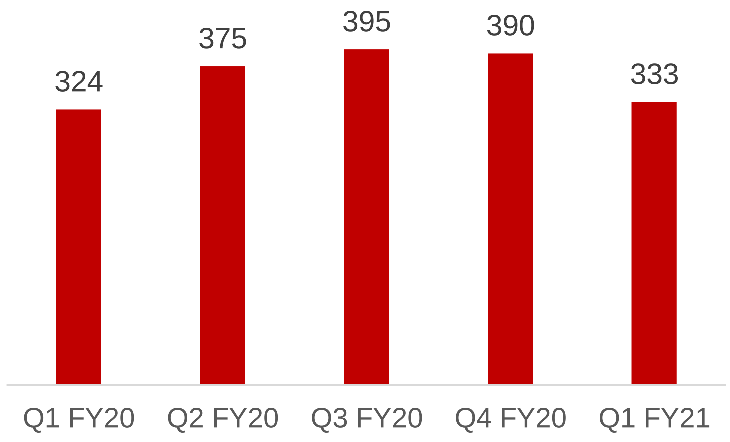
AUM (INR Mn)



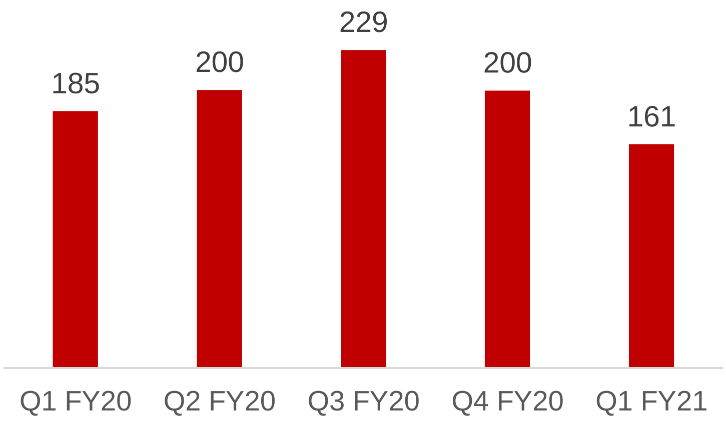
Disbursement (INR Mn)



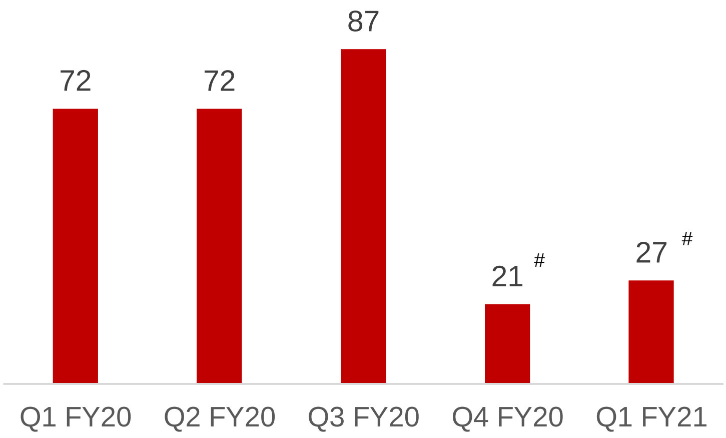
Gross Total Income (INR Mn)



Net Total Income (INR Mn)



PAT (INR Mn)

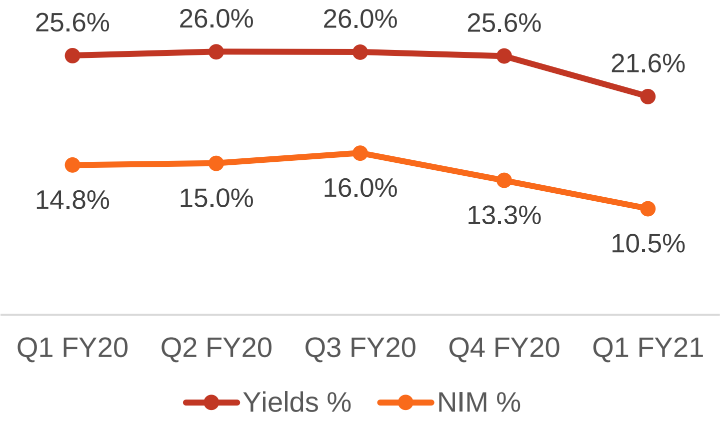


Note:

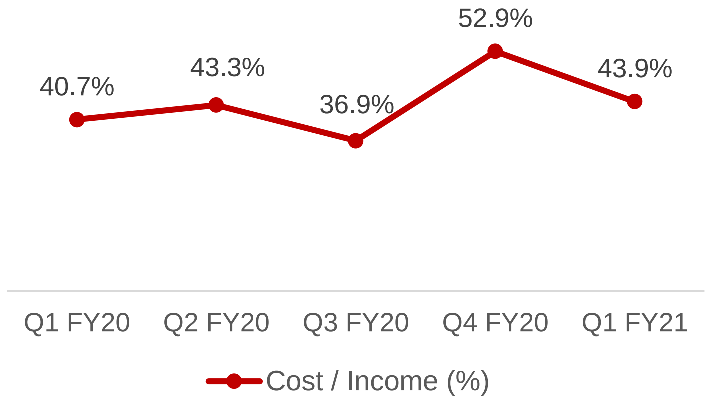
- ** Nationwide Lockdown and the Covid-19 induced disruption led to the disbursements being halted. Company's priority was on improving the collection efficiency*
- # Includes Covid specific provision of INR 45.3 Mn in Q4 FY20 and INR 57.2 Mn in Q1 FY21
- *Net Total Income = Gross Total Income – Finance Cost*

Q1 FY21 – Microfinance Performance Update

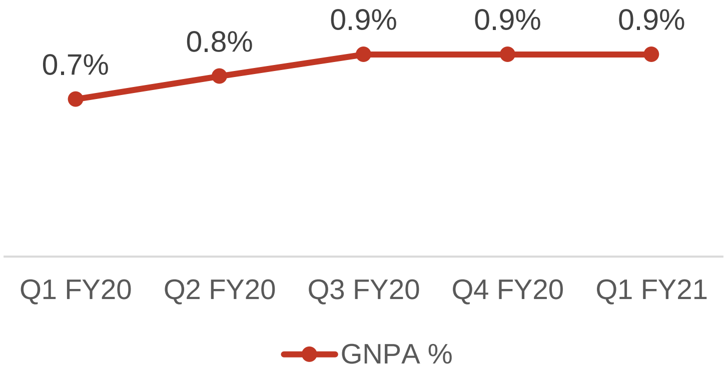
Yields % and NIM %



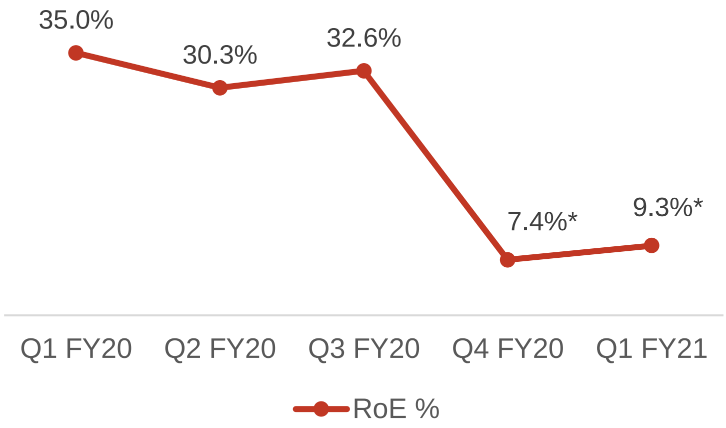
Cost-to-Income Ratio %



Asset Quality



ROE %



Note:

- * Includes Covid specific provision of INR 45.3 Mn in Q4 FY20 and INR 57.2 Mn in Q1 FY21
- *NIM = NTI / Avg. AUM (On + Off-Book); Yields = Gross Interest Income / Avg. AUM (On + Off-Book); Cost-to-Income Ratio = Opex (excl. provisions) / Net Total Income; NNPA % = NNPA / AUM; RoE = PAT / Avg. Equity. RoE, Yields and NIM % figures are annualized*

Q1 FY21 – Standalone Performance Update (2W & MSME)

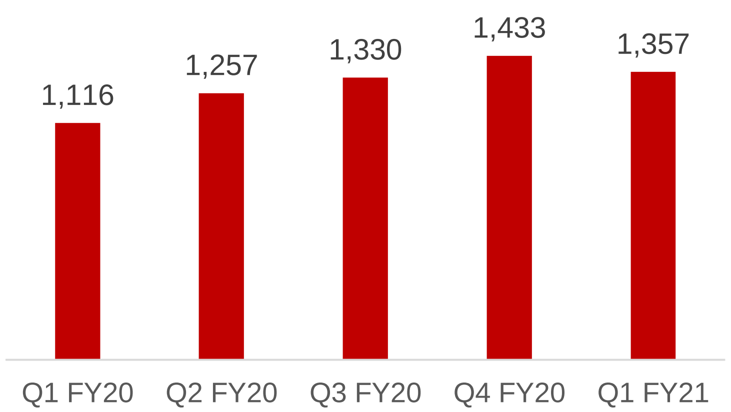
Particulars (INR Mn)	Q1 FY21	Q1 FY20	*YoY (%)*	FY20	FY19	*YoY (%)*
Asset Under Management	**2,180**	**2,104**	***4%***	**2,384**	**2,010**	***19%***
Disbursements	**-**	**506**	**-**	**2,205**	**1,940**	**14%**
Income from Operations	161.8	158.5	*2%*	671.1	466.0	*44%*
Other Income	6.6	3.1	*109%*	29.9	17.8	*68%*
Gross Total Income	**168.4**	**161.7**	***4%***	**701.0**	**483.8**	***45%***
Finance Costs	53.1	48.7	*9%*	220.3	156.9	*54%*
Net Total Income (NTI)	**115.2**	**113.0**	***2%***	**480.7**	**326.9**	***47%***
Employee Benefits Expenses	25.7	30.0	*(14%)*	132.3	94.6	*40%*
Depreciation and Amortisation	0.3	0.2	*9%*	1.1	1.1	*1%*
Other Expenses	4.9	12.7	*(62%)*	52.2	46.4	*13%*
Pre-Provision Operating Profit	**84.4**	**70.1**	***20%***	**295.1**	**184.8**	***60%***
Regular Provision & Write-offs	-	6.2	-	45.0	28.0	*60%*
Addl. Covid-Specific Provision	44.7	-	-	22.0	-	-
Profit After Tax	**32.5**	**52.3**	***(38%)***	**182.4**	**123.6**	***48%***
Profit After Tax (Adj. for Covid Provision)	**66.1**	**52.3**	***26%***	**204.4**	**123.6**	***65%***
GNPA %	*1.6%*	*2.0%*	*(41 bps)*	*1.5%*	*2.2%*	*(69 bps)*
NNPA %	*0.3%*	*1.3%*	*(102 bps)*	*0.7%*	*1.5%*	*(79 bps)*
Return on Avg. AUM %	*5.7%*	*10.2%*	*(447 bps)*	*8.3%*	*7.3%*	*98 bps*
Return on Avg. Equity %	*21.8%*	*39.8%*	*(1802 bps)*	*35.4%*	*32.5%*	*286 bps*

- **Standalone AUM stood at INR 2,180 Mn – higher by 4% YoY**
  - MSME AUM grew by 22% YoY to INR 1,357 Mn
  - 2W AUM stood lower at INR 823 Mn as the 2W sales declined in the previous year due to the challenging economic environment and drastically declined in Q1 FY21 given the nation-wide lockdown
  - Rural 2W Book saw good traction till Feb'20. The loan book stands at INR 109 Mn (higher by 51% YoY)
- Implemented cost rationalization measures which resulted in operating expenses coming down by 28% YoY to INR 309 Mn.
- **Consequently, Cost-to-Income Ratio improved by ~1,120 bps YoY to 27% in Q1 FY21 resulting in higher growth in Pre-provisioning Operating Profit (+20% YoY)**
- **Net Profit declined owing to recognition of higher provisions**
  - Recognized additional Covid specific provision of INR 44.7 Mn
- **Adjusted for the contingent Covid provisioning, Profit After Tax stood at INR 66.1 Mn in Q1 FY21 (higher by 26% YoY)**
  - Q1 FY21 Adjusted ROE: 43.1% (as against 21.8%)
  - Q1 FY21 Adjusted ROAA: 11.6% (as against 5.7%)
- GNPA improved to 1.6% (2W: 3.4%, MSME: 0.5%), and Net NPA improved to 0.3%
- ***Repayment rates improved in the last couple of months -***
  - ***MSME:*** *Repayment rates improved to 95% in July'20, and 92% in Aug'20*, versus 85% in June'20*
  - ***2W:*** *Repayment rates improved to 97% in July'20 and Aug'20*, versus 95% in June'20*
- ***Cumulative Provisions on 30th June'20 stood at INR 105 Mn covering 5.1% of on-book AUM (June'20)***

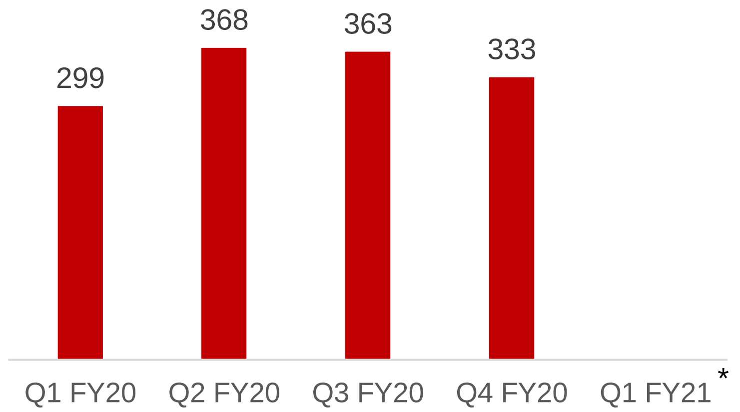
Note:
- * August repayment rates are month-end estimates
- Income from operations includes interest income on loans and managed assets, other Income includes processing fees, other charges in respect of loans, late payment charges, etc.
- *Yields = Gross Interest Income / Avg. AUM (On + Off-Book); NIM = NTI / Avg. AUM (On + Off-Book); RoE = PAT / Avg. Equity;* GNPA % = GNPA / AUM *(On + Off-Book)* ; NNPA % = NNPA / AUM *(On + Off-Book).*
- *ROAE and ROAA figures are annualized*

Q1 FY21 - MSME Performance Update

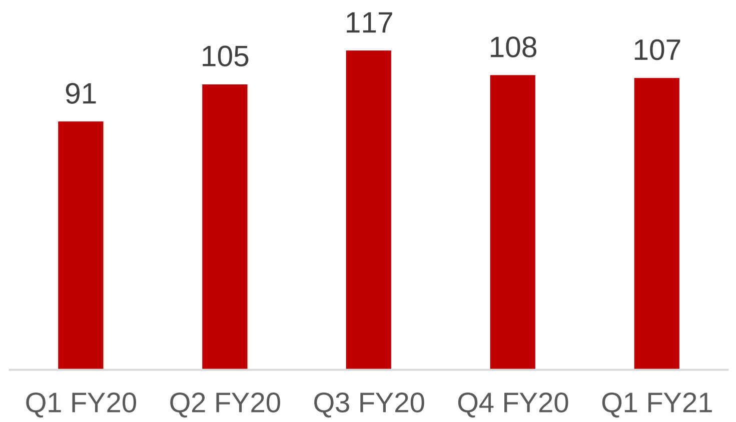
AUM (INR Mn)



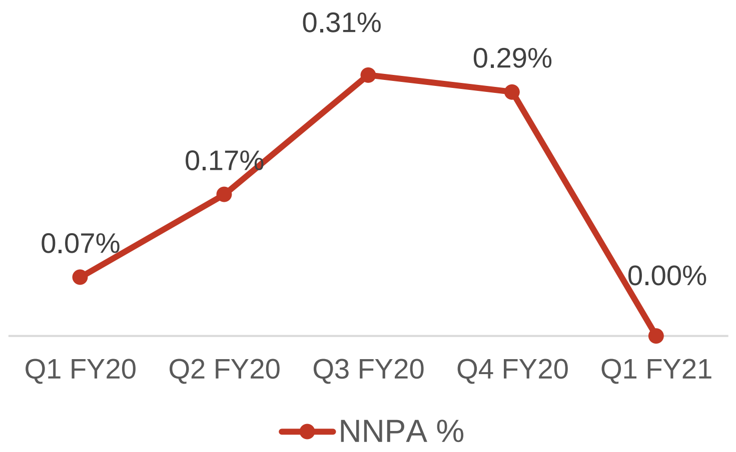
Disbursements (INR Mn)



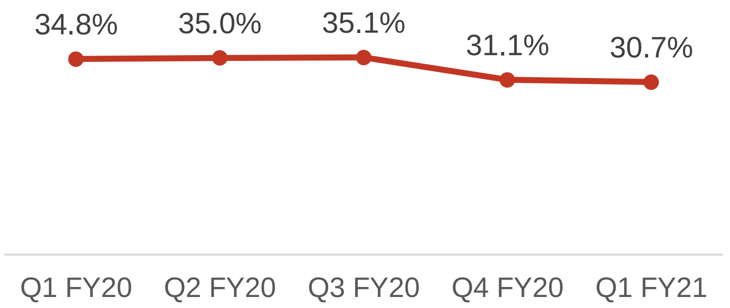
Gross Interest Income (INR Mn)



Asset Quality



Yields %

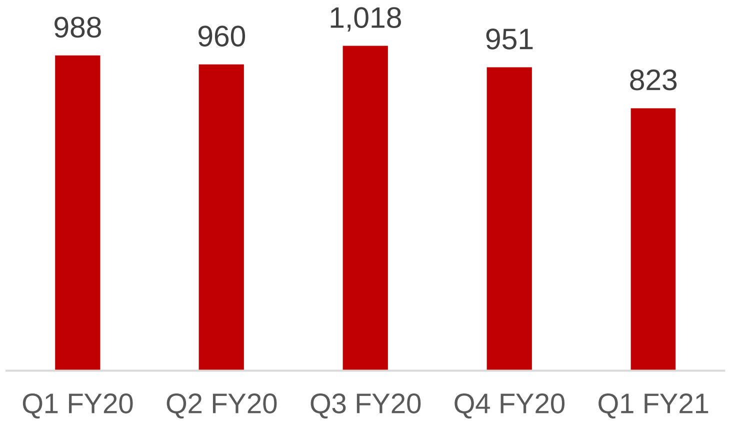


Note:

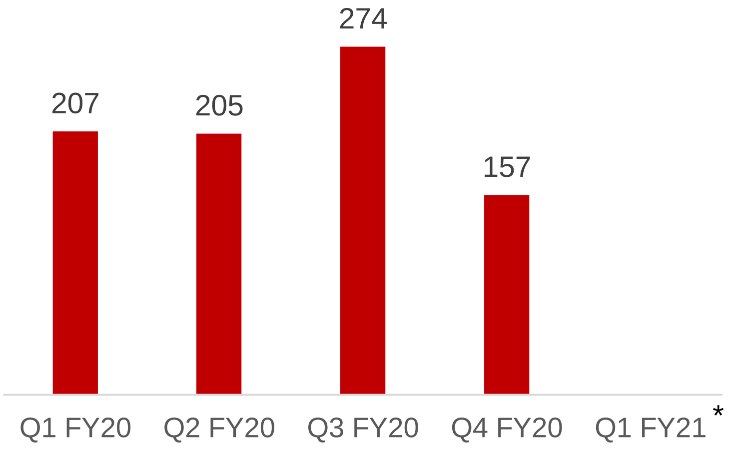
- ** Nationwide Lockdown and the Covid-19 induced disruption led to the disbursements being halted. Company's priority was on improving the collection efficiency*
- *Gross Interest Income = Interest Income + processing fees / other charges, Yields = Gross Interest Income / Avg. AUM (On + Off-Book);* NNPA % = NNPA / AUM. Yields % figures are annualized.

Q4 FY20 - 2W Performance Update

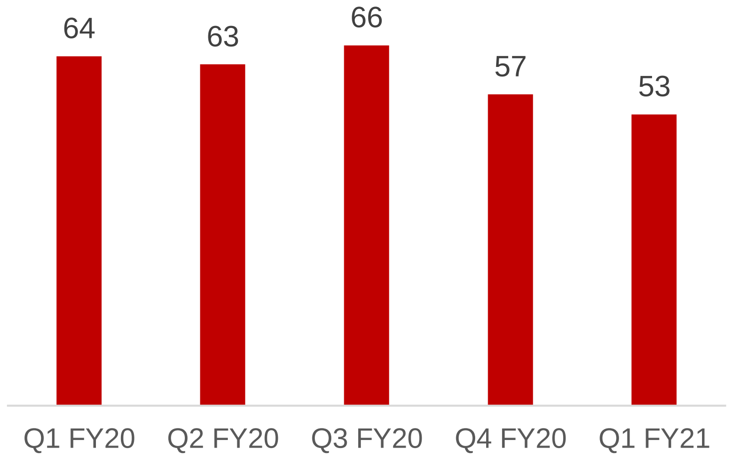
AUM (INR Mn)



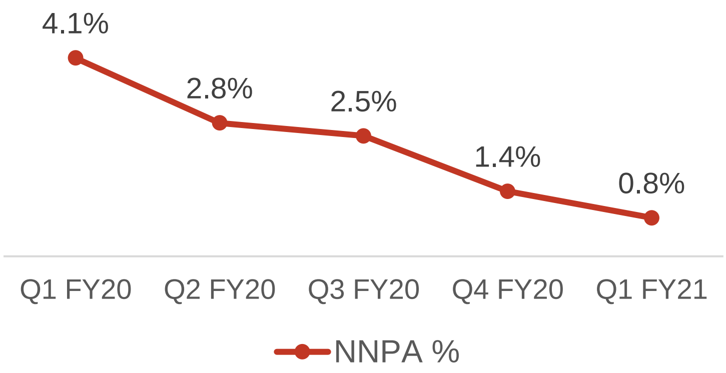
Disbursement (INR Mn)



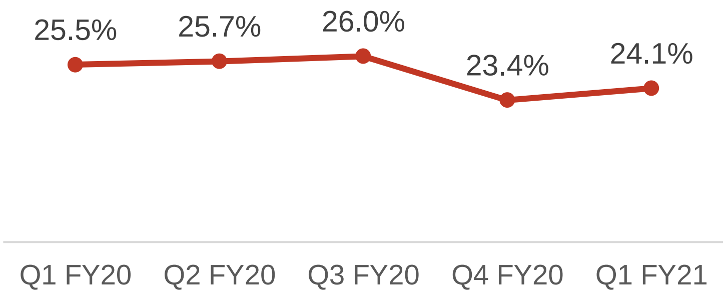
Gross Interest Income (INR Mn)



Asset Quality



Yields %



Note:

- ** Nationwide Lockdown and the Covid-19 induced disruption led to the disbursements being halted. Company's priority was on improving the collection efficiency*
- *Gross Interest Income = Interest Income + processing fees / other charges, Yields = Gross Interest Income / Avg. AUM (On + Off-Book);* NNPA % = NNPA / AUM. Yields % figures are annualized

Arman Financial Services Ltd.

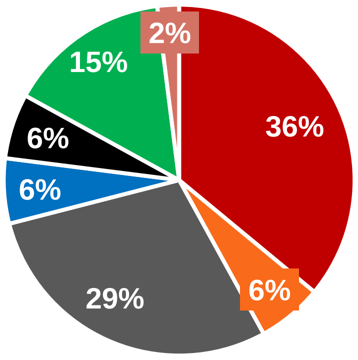
Liability Overview

Efficient Liability Management

Funding profile is well diversified with increase in share of funds from NCDs

Q4 FY20 - Borrowing Mix %

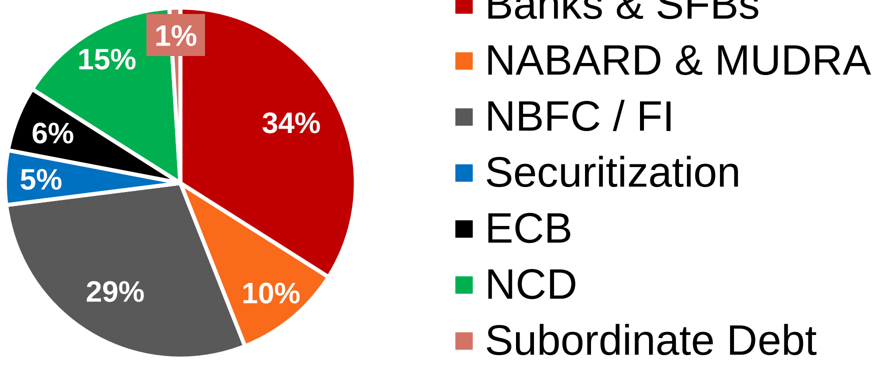
INR 7,655 Mn *



Note: * INR 7,655 Mn includes direct assignment of INR 581 Mn

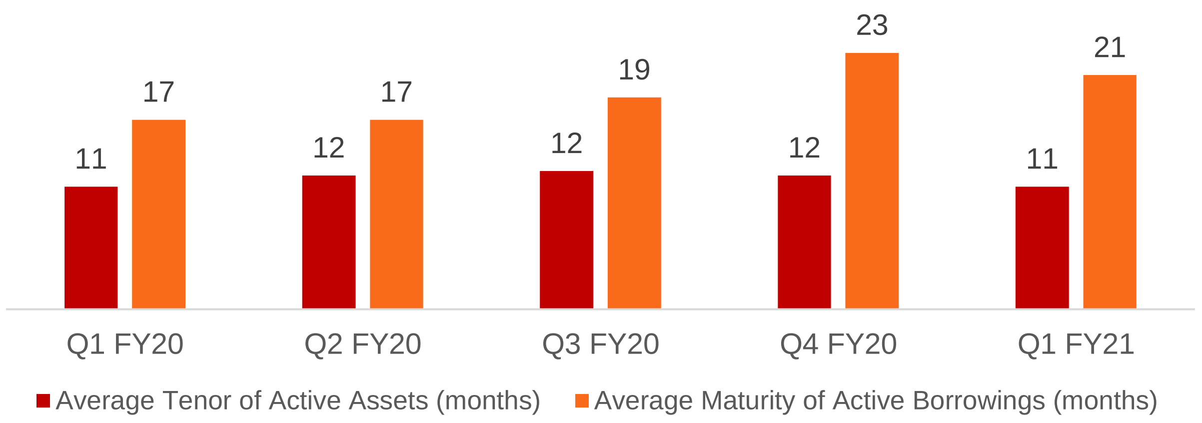
Q1 FY21 - Borrowing Mix %

INR 7,560 Mn #



Note: # INR 7,560 Mn includes direct assignment of INR 545 Mn

Positive ALM (in Months)



- Well-diversified borrowing mix with increasing share of NCD's, ECB's, NABARD Refinance, MUDRA, Sub-ordinate Debt and Securitization
  - Share of NCD's, ECB's, MUDRA, NABARD Refinance, Subordinate Debt and Securitization represented **~37% of borrowings in Q1 FY21**
- **Constant rating upgrades** have helped lower cost of funds in recent years
  - Credit rating has moved up **1 notch** in last year: Upgraded to **BBB+ in FY19 (CARE Ratings)**
  - **Ratings Reaffirmed recently to BBB+ for FY-20 by CARE Ratings**
  - Group has A2 rating by CARE Ratings for **short-term bank facilities**
- **Comfortable liquidity position backed by Positive ALM**

Lending partners

Bank Borrowings

AU Small Finance Bank
आन्ध्रा बैंक Andhra Bank
बैंक ऑफ़ बड़ौदा Bank of Baroda
DCB Bank
देना बैंक Dena Bank
Dhanlaxmi Bank
Federal Bank
fincare
HDFC Bank
ICICI Bank
IDBI Bank
IDFC First Bank
भारतीय स्टेट बैंक State Bank of India
विजया बैंक Vijaya Bank
Union Bank of India
Yes Bank
ओरियन्टल बैंक ऑफ़ कॉमर्स Oriental Bank of Commerce
Axis Bank
बैंक ऑफ महाराष्ट्र Bank of Maharashtra

Non-Bank Borrowings

Avanse
MAS Financial Services Ltd.
Tata Capital
Manappuram Finance Limited
Nabsamruddhi Finance Limited
National Bank for Agriculture and Rural Development
Northern Arc
UGRO Capital
SIDBI
Vivriti Capital
Hinduja Leyland Finance
Oiko Credit
Reliance Commercial Finance
HeroFinCorp.
Magma
United Bank of India
mudra

Securitization Partners

AU Small Finance Bank
DCB Bank
ICICI Bank
IndusInd Bank
Kotak
niyogin
IDFC First Bank
Jana Small Finance Bank

NCDs & ECB

Agents for Impact
symbiotics

Arman Financial Services Ltd.

Company Overview

Key Strengths

Genesis

- Arman Financial Services ("Arman") is a **diversified NBFC** focusing on large under-served rural & semi-urban retail markets
- Founded in 1992 by Mr. Jayendra Patel in Ahmedabad. Listed on BSE in 1995 and on NSE in 2016
- Strong Management Team led by Mr. Jayendra Patel having a combined experience of 100+ years in the Lending Business

Robust Risk Management Framework

- **Superior Asset Quality – GNPA: 1.1%; NNPA: 0.1% (Q1 FY21)**
- **Consistent rating upgrades** backed by strong financial & operating performance – Currently rated **BBB+** by CARE Ratings
- **Track record of consistent profitability -** Never reported an annual loss
- **Completely in-house operations** with **bottoms up** driven credit appraisal models and rigorous collections practices – tailored for the areas of operations

Presence in Attractive Retail Lending Segments

- **Total Loan Assets of INR 8,231 Mn in Q1 FY21**
- **Microfinance – 74% of AUM** *(via 100% owned subsidiary **"Namra Finance"**)*
- **MSME Loans – 16% of AUM**
- **2-Wheeler Loans – 10% of AUM**
- **Healthy Spreads:** Yields 23.3%, NIM 12.9% (Q1 FY21)

Arman Financial Services Ltd.

Strong Financial Performance

- **High-Growth Trajectory (FY2015-20 CAGR) :**
  - **AUM: 50%**
  - **PAT: 46%**
- **Consolidated debt to equity ratio of 4.0:1 –** Sufficient Capital to drive growth going forward
- **High Return Ratios:**
  - **Q1 FY21 - ROE (%): 12.1% , ROAA* (%): 2.5%**

Strong Retail Presence & Wide Distribution Network

- 211 branches; 70+ 2-Wheeler dealerships
- 78 Districts, 6 states
- 4.44 lakh live customers (+22% YoY)
- Undertaken contiguous expansion from Gujarat since 2014 to achieve geographic diversification

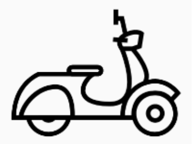
Efficient Liability Management

- **Comfortable Liquidity Position: Positive ALM**
  - Avg. lending tenor at origination: ~18 months; Avg. tenor of debt at origination: ~36 months
- Diversified Borrowing Profile with Relationship across 34 Banks & other Financial Institutions

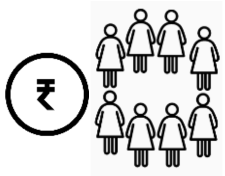
Note:
- * Return on Avg. AUM
- *Yields = Gross Interest Income / Avg. AUM (On + Off-Book); NIM = NTI / Avg. AUM (On + Off-Book); RoE = PAT / Avg. Equity;* GNPA % = GNPA / AUM *(On + Off-Book)* ; NNPA % = NNPA / AUM *(On + Off-Book). Yields, NIM, ROAA and ROE figures are annualized.*

Business Progression

- **1992** – Company incorporated. Started bill discounting & machine leasing
- **1995** – Listing on BSE – Issue subscribed 22x
- **1998** – Launched 2W Loans



- **2010** – Launched Microfinance business



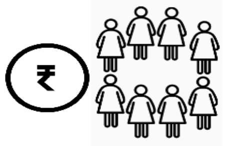
- **2011** – Raised PE funding from Incofin; Disbursement crosses 50 Cr
- **2013** – Demerged MFI operations into “**Namra Finance**”; Disbursement crosses 100 Cr
- **2014-16** – Expanded to Maharashtra, MP, UP & Uttarakhand; listing on NSE
- **2017** – Launched MSME Loans business

- **2017-18** – Crosses 100 branches across 5 states & 3 products; Disbursement crosses 500 Cr
- **2018** – Raised PE funding from SAIF Partners
- **2019** – Disbursement crosses 750 Cr; 100% Cashless disbursements; Expanded into Rajasthan

Product Snapshot

ARMAN FINANCIAL SERVICES LTD.

- 28 years of existence
- Active customer base of 4.44 lakh
- Employee strength of 1,752 employees
- Completely in-house operations – Sourcing, Credit & Collections




	Microfinance	MSME Loans	2-Wheeler Loans	Rural 2W Loans
% of Total AUM	74%	16%	9%	1% *(in Pilot Stage)*
LTV	Unsecured	Cash flow & FOIR based	65-85%	60-80%
Ticket size	Cycle 1 & 2 - INR 20-30k Cycle 3+ - INR 20-45k	INR 50-70k	INR 30-55k	INR 40-50k
Average Ticket size	INR 28,000	INR 70,000	INR 42,000	INR 40,000
Tenure	14-24 months	24 months	12-36 months	12-24 months
Yield (%)	24-25% (Spread capped by RBI guidelines)	30-32%	21-23%	26-28%
Disbursement	100% Cashless	100% Cashless	100% Cashless to dealer	100% Cashless to sub-dealer
Credit Check	CRIF / Equifax Score; JLG Model with Training, Home Visit, Life Style Appraisal	CIBIL & CRIF Score; Detailed Cash Flow Assessment; Home & Business Field Investigation	CIBIL / CRIF Score & Field Investigation	CIBIL / CRIF Score; Detailed Cash Flow Assessment; Field Investigation
Collections	Cash collection at centre meeting	Door step cash collection	NACH / Direct Debit	Door step cash collection

Differentiated Operations

Focus on **small-ticket retail loans** to the **large under-served informal** segment customer in **rural & semi-urban** geographies

Diversifying products, geographies, sources of funds and delivering **growth by increase in volumes** rather than ticket sizes

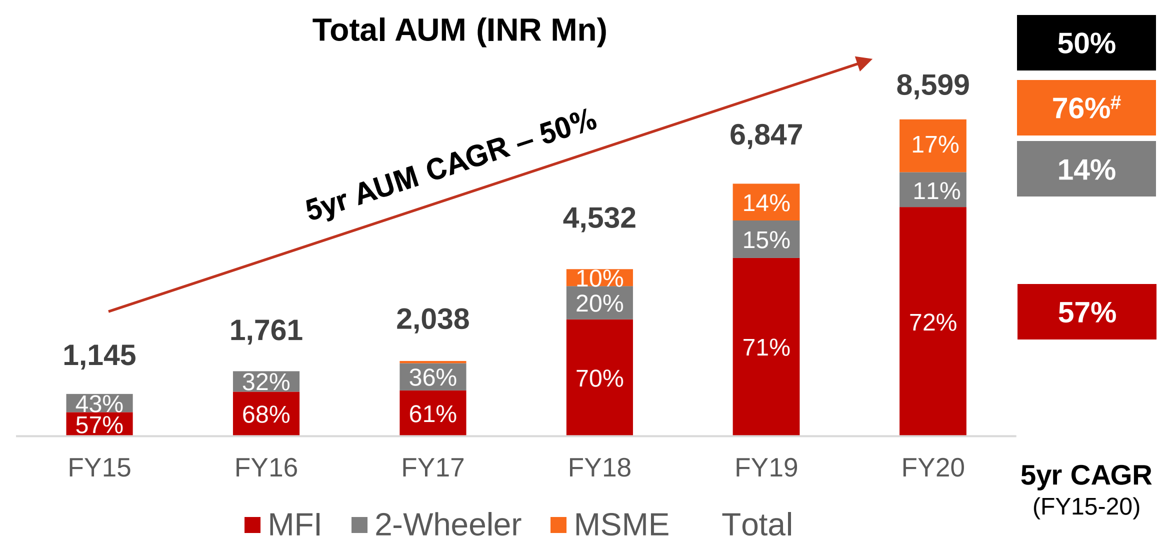
KEY STRATEGIC DIFFERENTIATORS

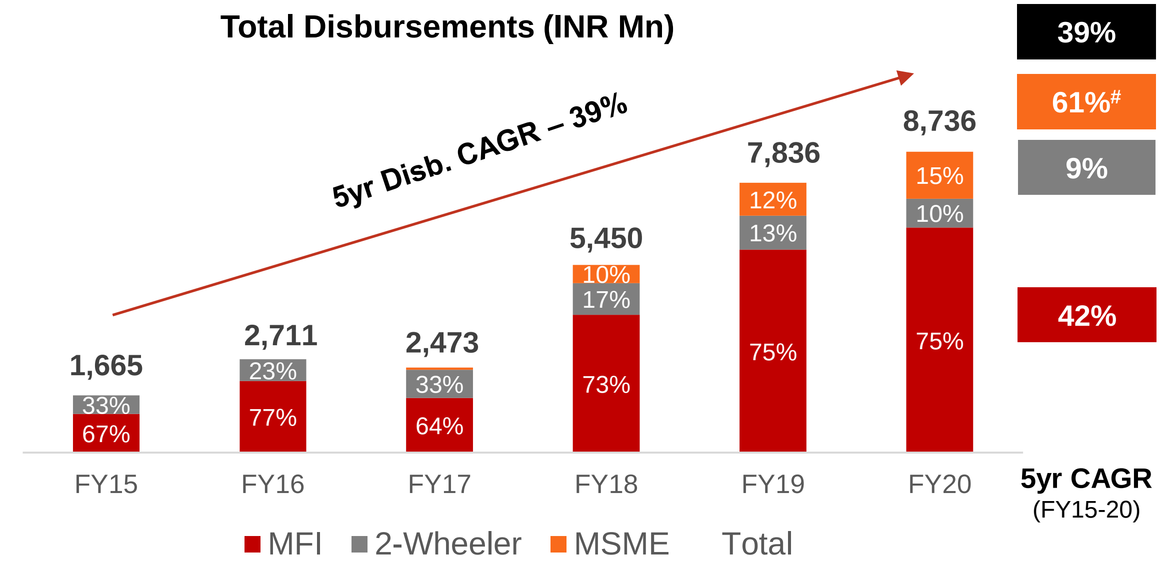
Conservative operations framework with focus on risk & asset quality

Completely in-house operations with bottoms up driven credit appraisal models and rigorous collections practices – tailored for the areas of operations

Business model centred around conservative approach to high yielding assets to deliver a sustainable ROA of 3-5%

Strong Growth in AUM & Disbursements…..





- Diversified portfolio of 8,231 Mn in Q1 FY21 split between –
  - Microfinance: INR 6,051 Mn (74%),
  - MSME Loans: INR 1,357 Mn (16%)
  - 2-Wheeler Loans: INR 823 Mn (10%)
- **Strategically forayed into MSME Loans in 2017**. Successfully scaled up the business to INR 1,357 Mn (16% of Total AUM) in the last 2 years
- Further, we **recently launched a new product *"Rural 2-wheeler loans"*** *(currently in pilot stage)* to effectively meet the under-served market.
  - Higher ROA business offering immense growth potential
- Plan to reduce share of **MFI book in overall AUM to ~60% over time**

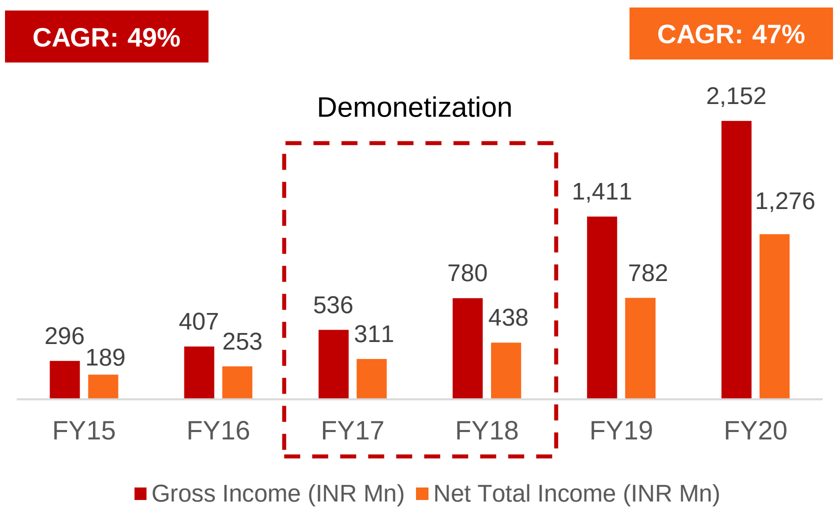
Asset Strategy at Arman

- **Small ticket, granular loans** - Ticket size INR 20,000 – 1,50,000
- **Self-employed / cash-income informal** segment customers
- **High-yield rural focused products** – 20%+ yields
- **Stringent underwriting**
- **Rigorous collections practices** – in-house, feet-on-street model
- **Aim to deliver 3-5% post-tax ROA**

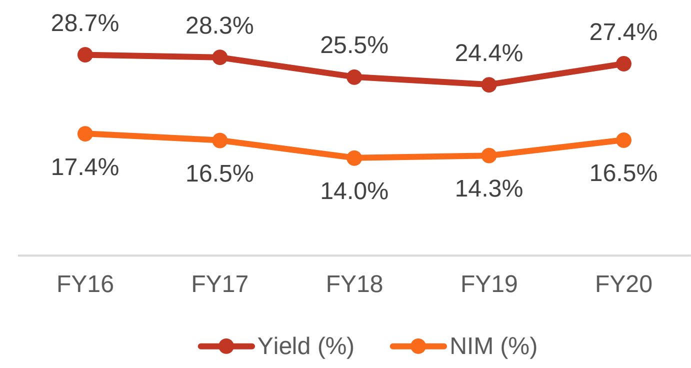
Note: *FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP. # - MSME started in FY17; MSME CAGR is 2yr CAGR (FY18-20)*

…..While Maintaining Superior Cost Efficiency & Asset Quality

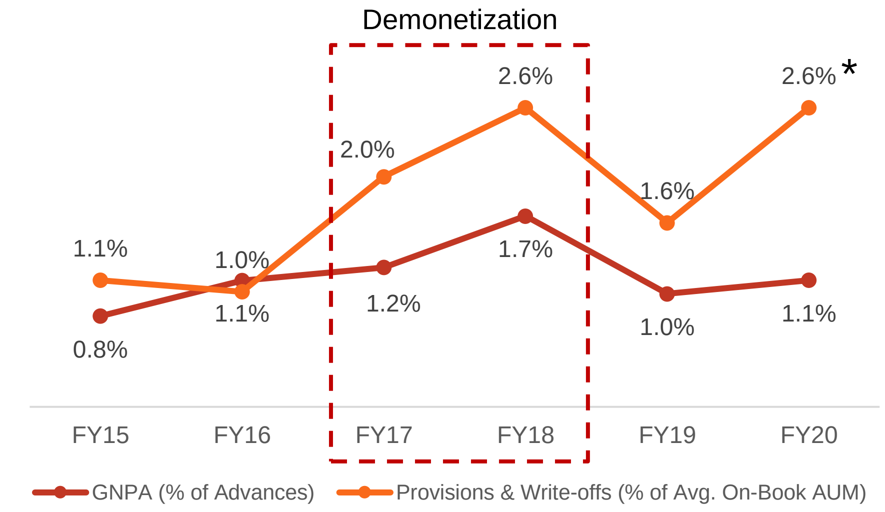
Gross Income and Net Total Income (INR Mn)



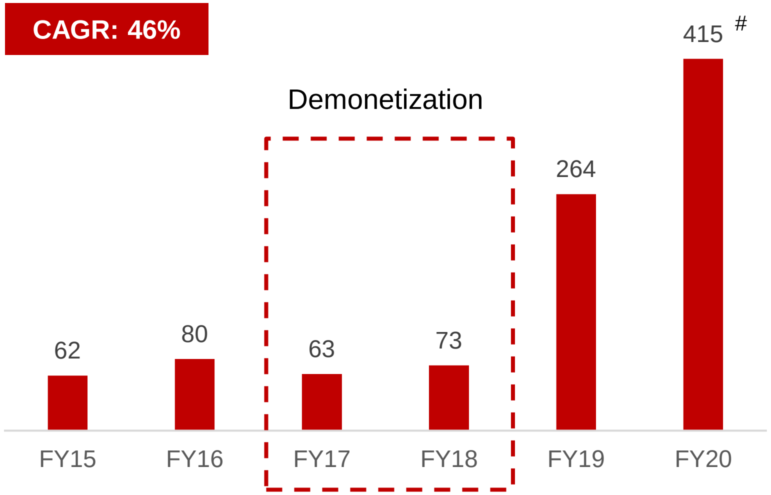
Yield % and NIM %



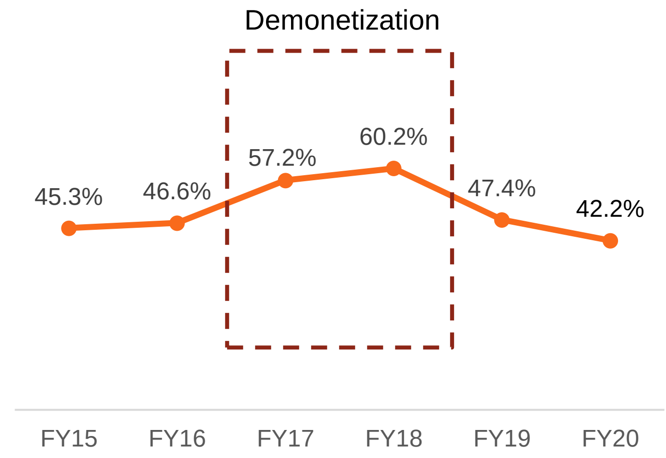
Focus on risk have led to immaculate through-cycle asset quality



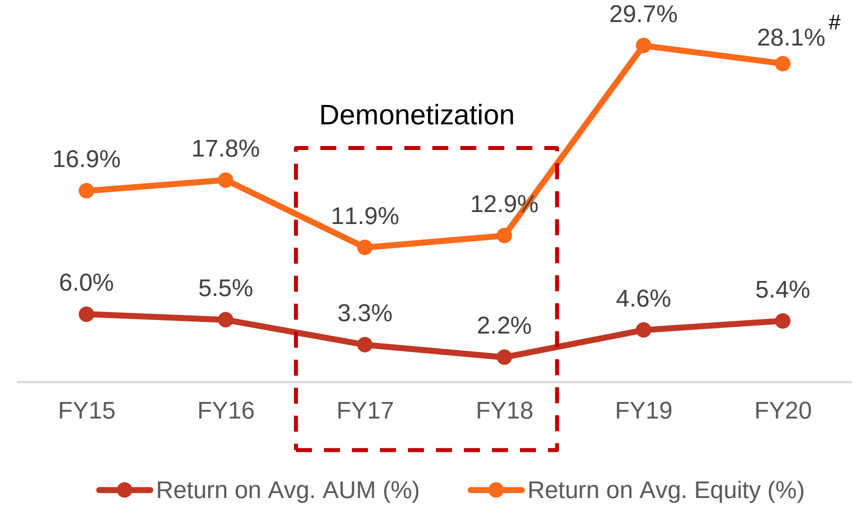
PAT (INR Mn)



Cost to Income Ratio %



Consistently high through cycle ROA / ROE

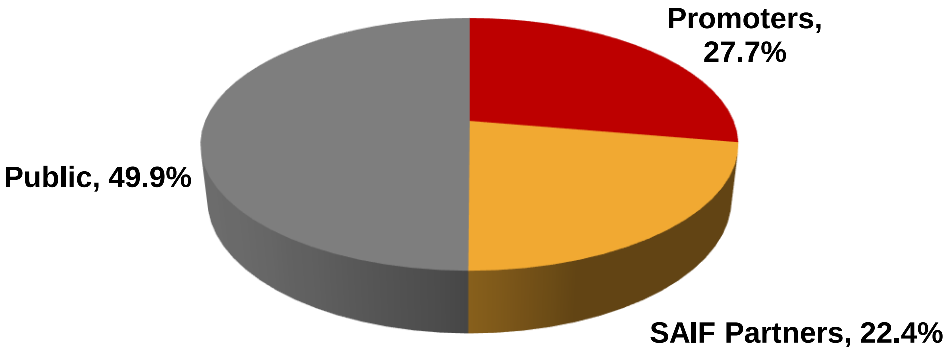


Note:

- * Includes Covid specific provisioning of INR 66.8 Mn. # Adjusted for the Covid Provisioning of INR 66.8 Mn, PAT would have stood at INR 482 Mn in FY20; and ROE would have been 32.6%
- *FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP. NIM = NII / Average AUM (On + Off-Book); Yields = Gross Income / Average AUM*

Shareholding Pattern

SHAREHOLDING – 30th June 2020



Source – Company

- ***SAIF Partners** invested **INR 500 Mn** in CCDs in April 2018 Post conversion of CCD’s, SAIF Partners stake in the company stands at 22.4%
- **Mr. Mridul Arora, MD at SAIF Partners is a Nominee Director on the Arman Board**

Arman Financial Services Ltd.

Product Overview

Product Overview: Microfinance

Product Overview

- **JLG model with small ticket loans** (Avg. Ticket Size – INR 26,000) given to women borrowers for income generating activities such as Livestock, Dairy, Agri allied, Kirana Stores
- Operations in **6 states; 170 MFI branches; 3.69 lakh live customers**
- Arman MFI operating model –
  - **High touch monthly collection model**
  - **Rural concentration**: ~85% rural & semi-urban portfolio (vs 43% for MFI industry)
  - **Conservative risk framework**
    - 100% Cashless disbursement
    - JLG groups formed by customers themselves
    - Loan utilization checks to ensure loan for income generating purpose
  - **Controlled growth targets** driven by bottom-up projections

FY20 – Key Metrics (Mn)

AUM (INR Mn)	6,215
Disbursement (INR Mn)	6,531
Total Income (INR Mn)	1,484
PAT (INR Mn)	252
Avg. Ticket Size (INR)	28,000

FY20 – Key Metrics (%)

Yield	25.8%
NIM	14.7%
ROAA	4.6%
GNPA	0.9%
NNPA	0.01%
ROE	26.2%

Product Overview: 2W & Rural 2W Loans

Product Overview

- Hypothecation (secured) loans given to self-employed / cash-salaried customer in the informal segment in semi-urban / rural areas for a 2W
- Currently operates only in Gujarat; across 70+ dealerships
- **Piloting new Rural 2W product**: Operating in Tier 3-4 & below locations for higher yields; higher ROA business; key growth driver going forward
- Growth levers –
  - Increase in finance penetration
  - Geographical & new product expansion
- Arman 2W & Rural 2W operating model –
  - Focus on **quick turn around time**
  - Excellent **relationships with dealers and OEMs**
  - **In-house feet-on-street** model for **rigorous collections**

FY20 – Key Metrics (Mn)

AUM (INR Mn)	951
Disbursement (INR Mn)	843
Total Income (INR Mn)	251
Avg. Ticket Size (INR)	42,000

FY20 – Key Metrics (%)

Yield	25.5%
NIM	16.5%
GNPA	3.0%
NNPA	1.4%

Product Overview: MSME Loans

Product Overview

- Individual enterprise / working capital loans for small rural businesses in low competition areas
- Currently operates across 3 states – Gujarat, MP & Maharashtra, with 35 branches
- Arman MSME operating model –
  - **Dual credit bureau check** for both customer and spouse on CRIF (for MFI loans) and CIBIL (for non-MFI loans)
  - **High-touch monthly cash collection model**
  - **Cash Flow assessment** using tailored appraisal techniques
  - **Locally drawn field force** with personal knowledge of the market
  - **In-house teams** for pre-lending field investigations and appraisals, with **centralized final credit approval**
- **Highest ROA product at Arman**; focus on growing this business over time
- Focus on quality underwriting & rigorous collections to ensure asset quality

FY20 – Key Metrics (%)

AUM (INR Mn)	1,433
Disbursement (INR Mn)	1,362
Total Income (INR Mn)	421
Avg. Ticket Size (INR)	70,000

FY20 – Key Metrics (%)

Yield	34.7%
NIM	23.8%
GNPA	0.5%
NNPA	0.3%

MSME Process Overview

Sourcing

- In-house sourcing team (No DSAs)
- Feet-on-Street sales team model
- Door-to-door knocking & cold calling
- BTL activities such as pamphlet distribution, stalls at village level gatherings
- Referrals from existing customers

"Sales team logs-in the case & collects KYC docs"

Underwriting

"Trigger sent to independent credit team for FI"

- Credit bureau check (CRIF & CIBIL)
- Physical FI & PD by in-house credit manager at residence & work place
- **Capacity to Pay** - Use of non-traditional income & expense estimation methodologies
- **Willingness to pay** – Reference checks
- Final sanction by centralized credit team

Collections

"Door-step cash collection"

- X-bucket (current) collections to be handled by sales team
- Door-to-door collection allows Company to maintain relations with customer and ensures high collection efficiency
- Monthly collections – High touch, relationship driven model

Thank You

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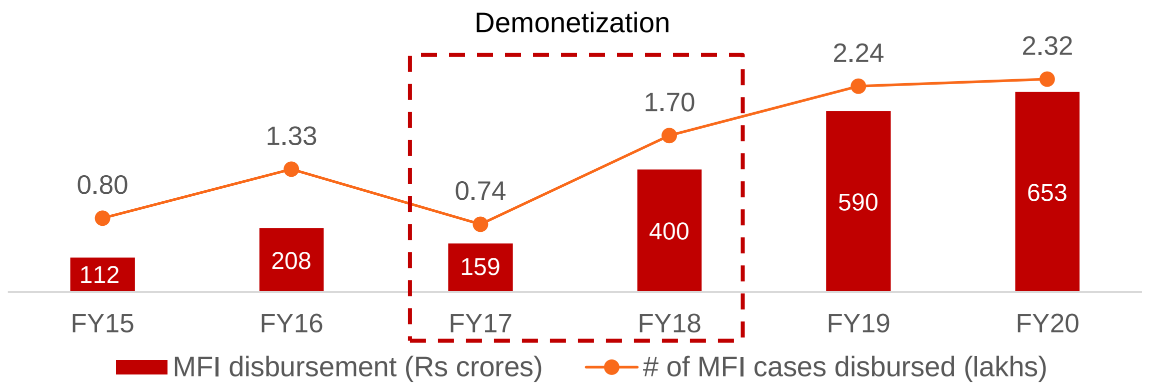
Annexures

Microfinance: 5-Year Performance

Disbursement growth is driven by customer & branch addition

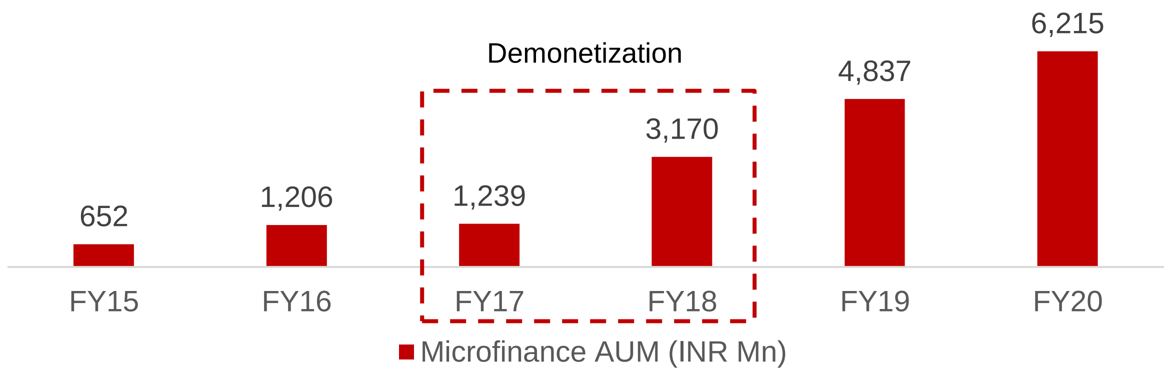


	FY15	FY16	FY17	FY18	FY19	FY20
MFI Branches	39	55	80	107	138	170
Avg. Ticket size (INR)	13,937	15,583	21,477	23,517	26,358	28,133

	Disbursement	Customers	Ticket size
FY15-20 CAGR (%)	42%	26%	16%

AUM growth exceeds MFI industry growth rates

CAGR: 57%

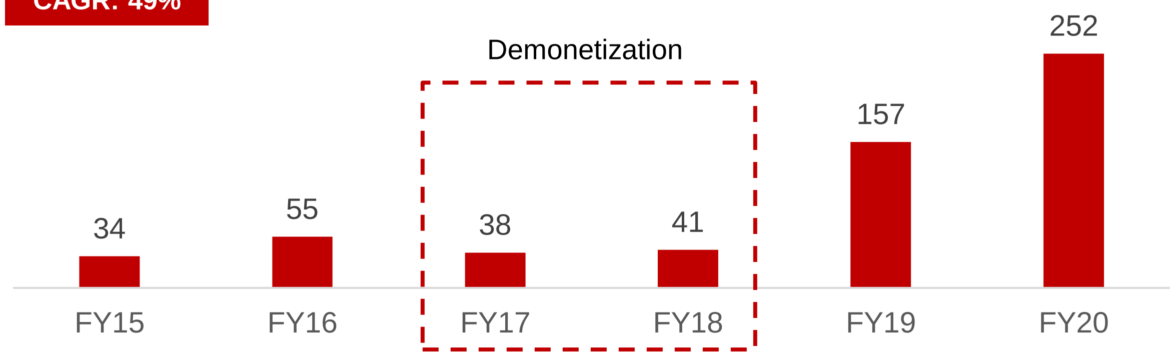


	5yr AUM CAGR (%)	FY20 AUM growth (%)
MFI Industry	23%	18%
Namra (MFI Operations)	57%	29%

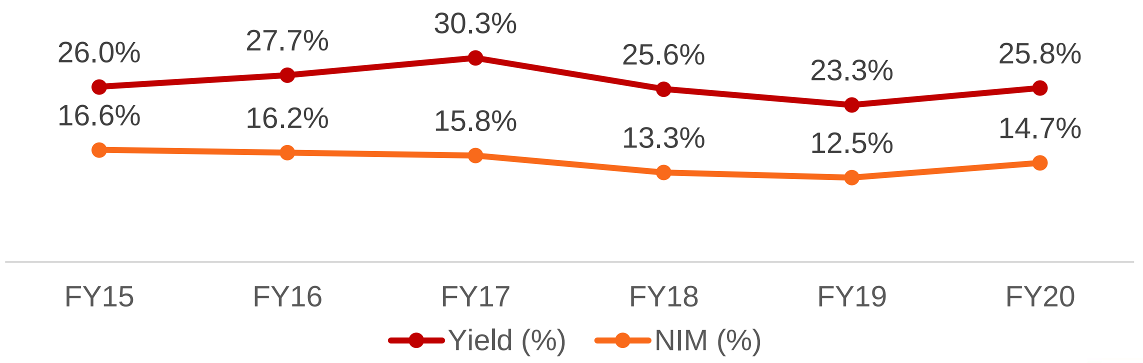
**MFI Industry = NBFC-MFIs + SFBs only. Source - MFIN Micrometer Q4FY20*

PAT (INR Mn)

CAGR: 49%



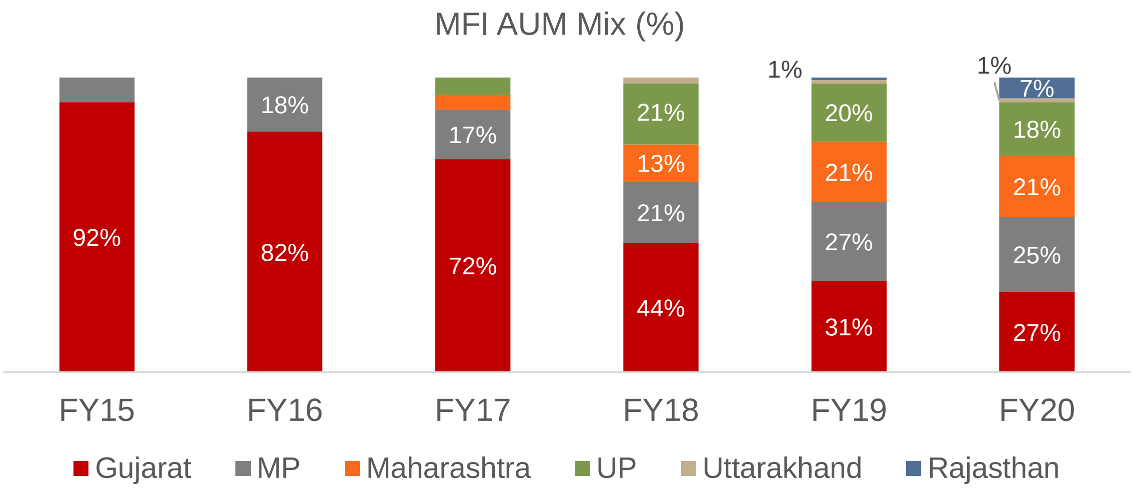
Yields (%) & NIM (%) Trend



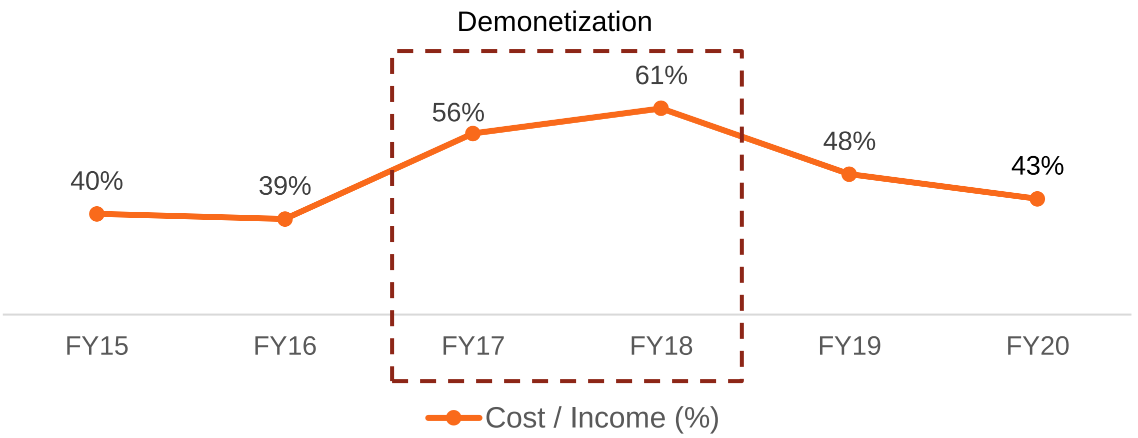
Note: *FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP.*

Microfinance: 5-Year Performance

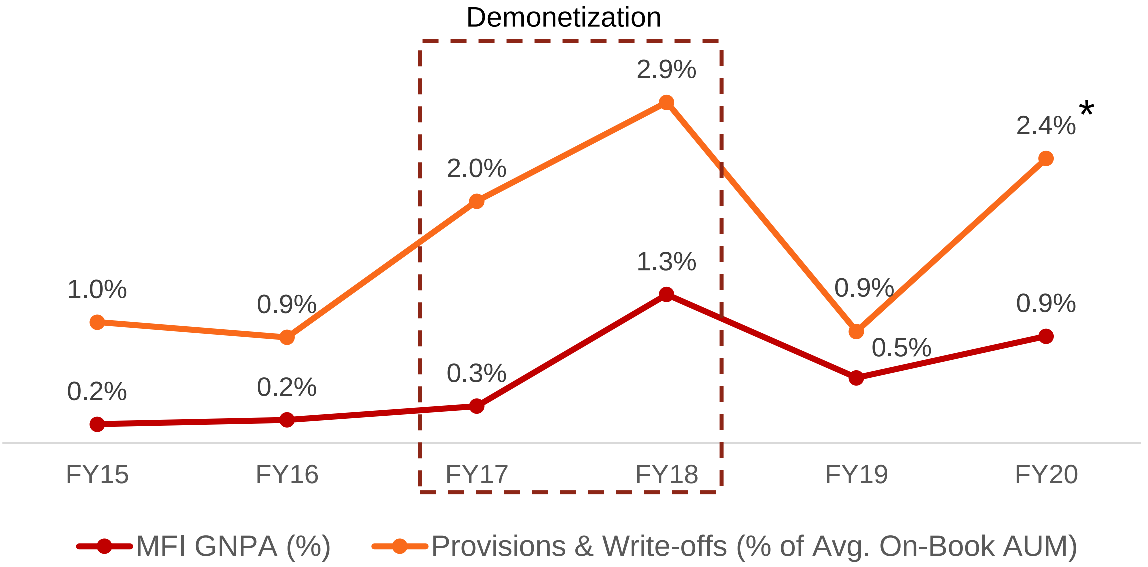
Well diversified across geographies



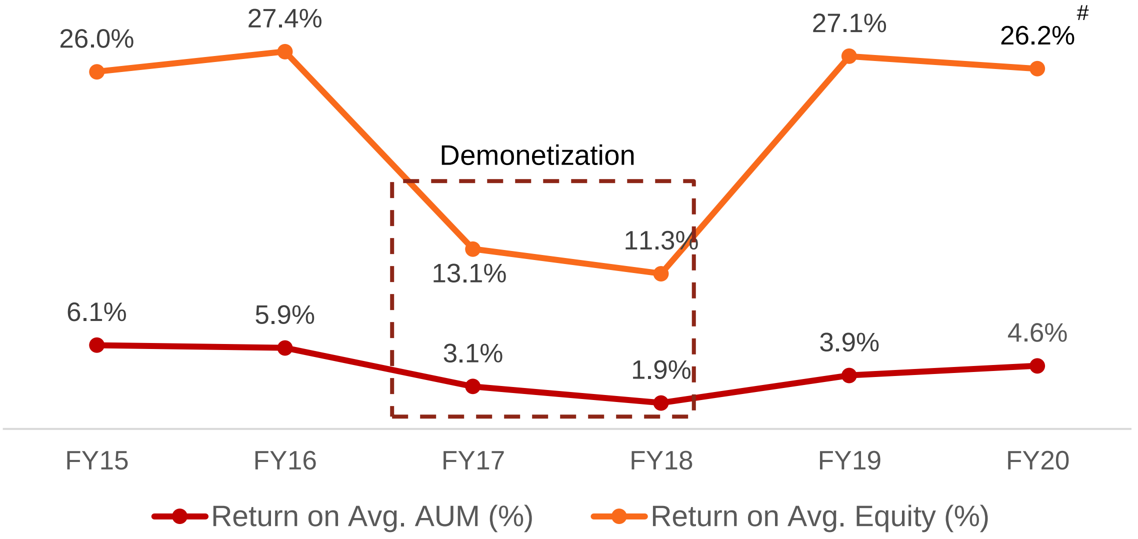
Maintaining high operational efficiency



Through cycle asset quality under control



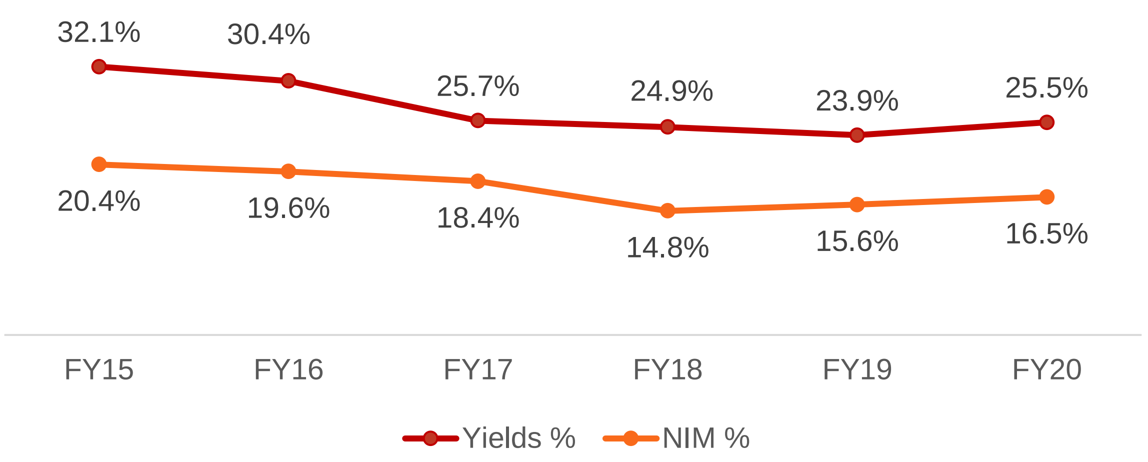
Sustaining strong ROA (%) & ROE (%)



***Note:** FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP.* * Includes Covid specific provisioning of INR 45.3 Mn. # Adjusted for Covid Provisioning, ROE stood at 30.9% in FY20

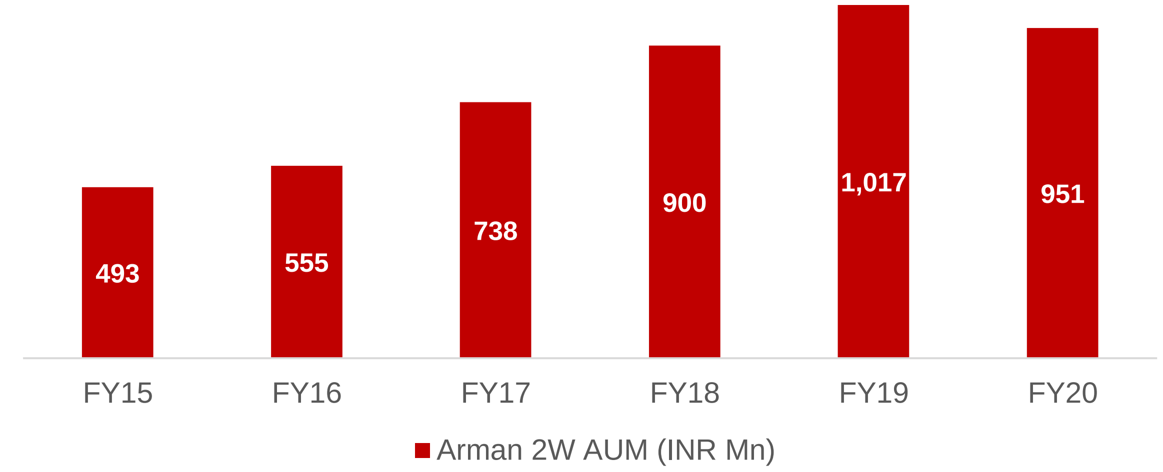
2W Loans: 5-Year Performance

Yields (%) & NIM (%) Trend

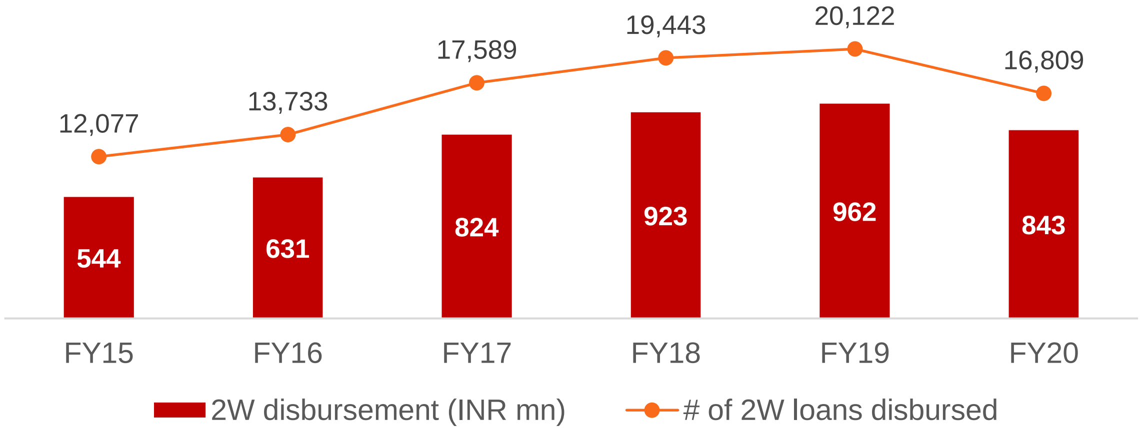


Arman 2W AUM/ has seen steady growth over FY15-20

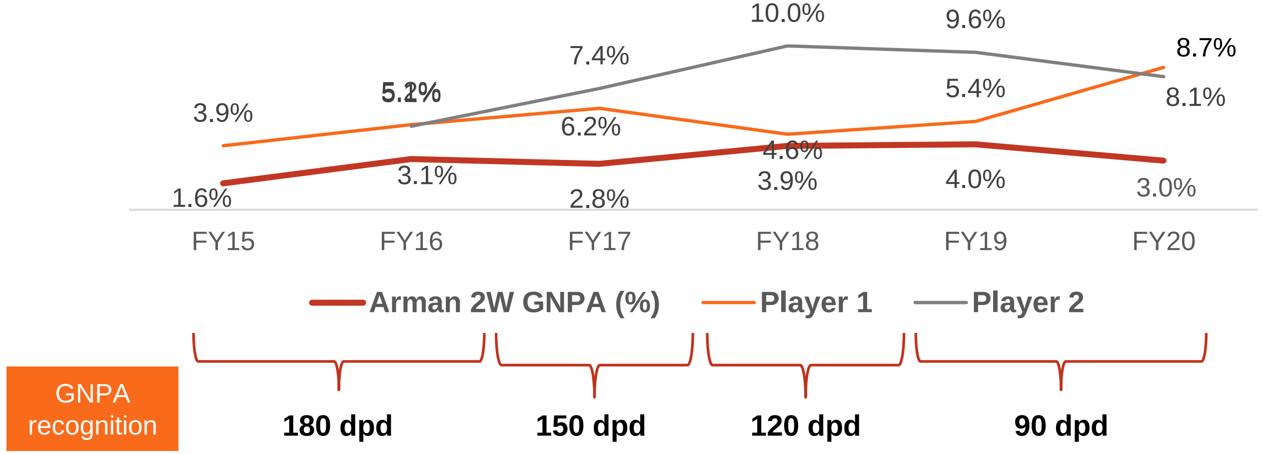
CAGR: 14%



Disbursement growth is driven by increase in 2W volumes



Collection focus has ensured superior NPA as compared to peers; NPA has inched up because of change in recognition norms

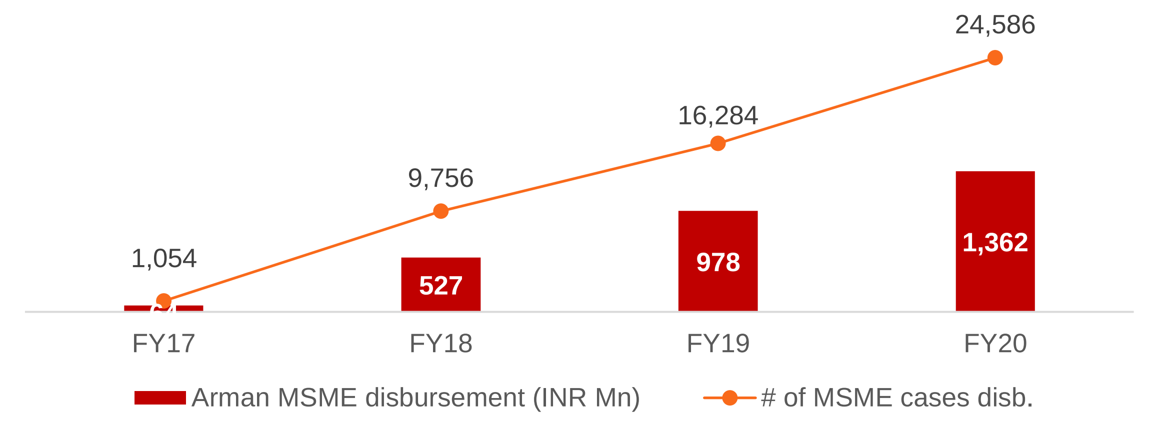


Note: *FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP.*

MSME Loans: 3-Year Performance

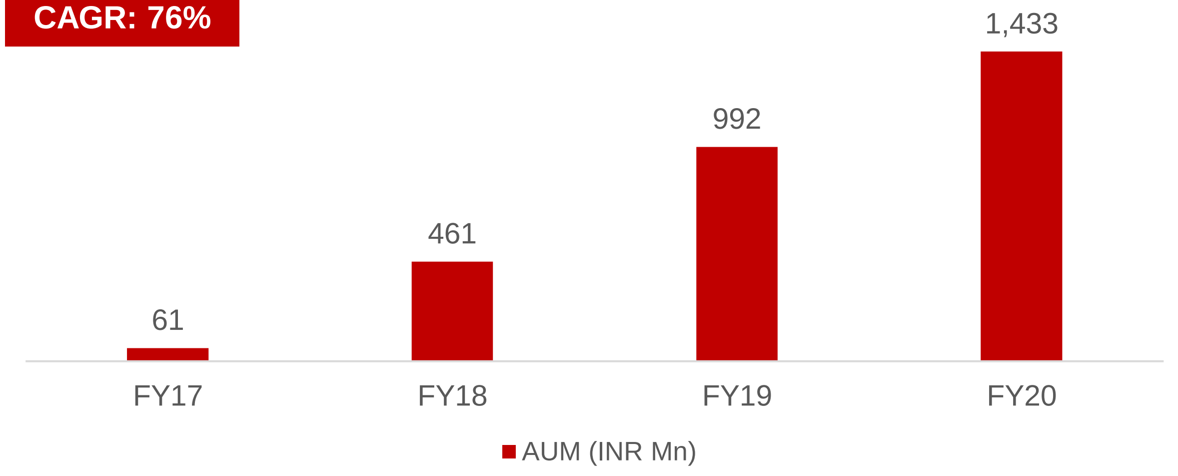
Disbursement Growth

CAGR: 61%

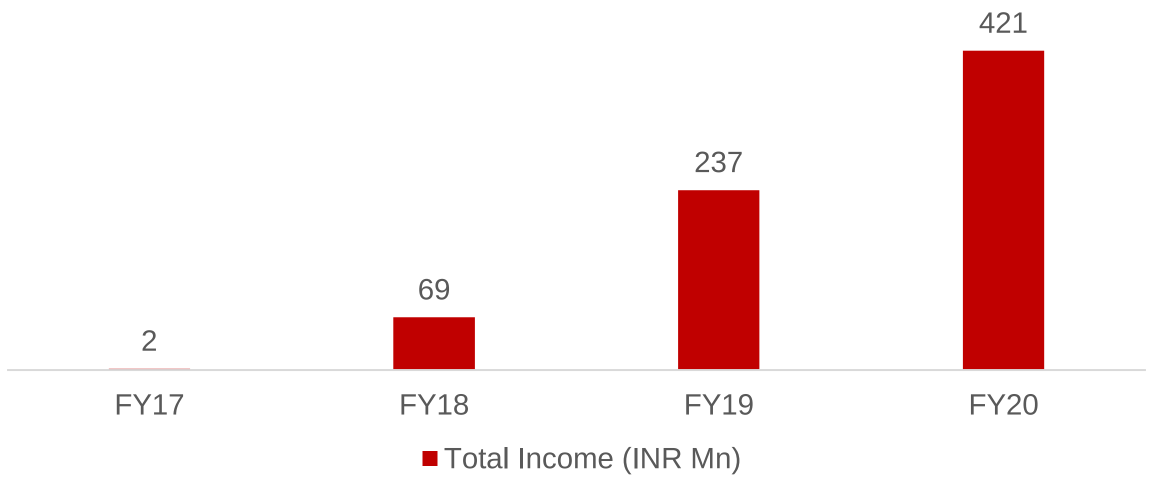


AUM Growth

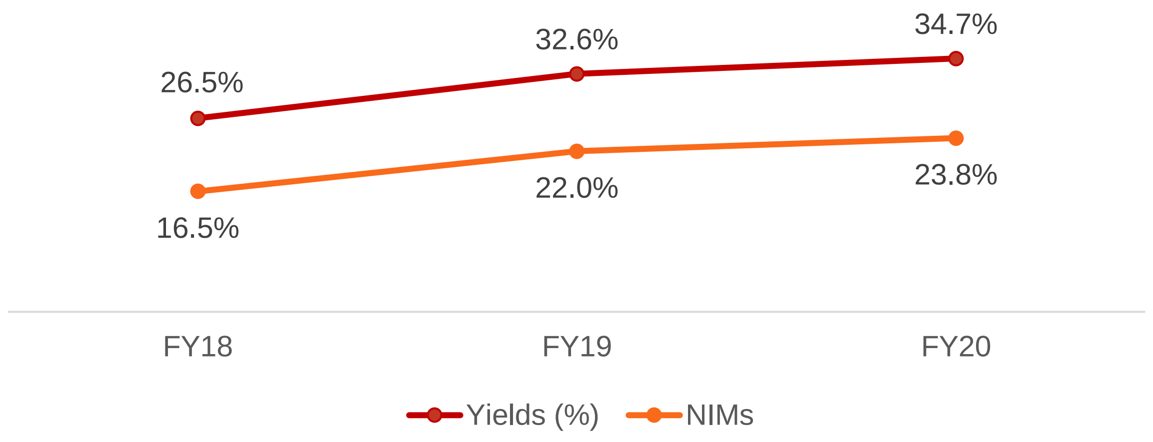
CAGR: 76%



Total Income Growth



Yields (%) & NIM (%) Trend



Note: *FY20 & FY19 figures are as per IND-AS, all the figures prior to FY19 are as per I-GAAP. # - MSME started in FY17; MSME CAGR is 2yr CAGR (FY18-20)*