



## Arman Financial Services Limited

501-504, SAKAR III, OPP. OLD HIGH COURT, OFF. ASHRAM ROAD, AHMEDABAD-380 014. GUJARAT, INDIA  
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Date: September 12, 2019

To, BSE Limited P. J. Tower, Dalal Street, Mumbai-400001	To, National Stock Exchange of India Limited "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai- 400051
Script Code: 531179 ISIN: INE109C01017	Symbol: ARMANFIN Series: EQ

Dear Sir,

**SUB: UNAUDITED FINANCIAL RESULTS WITH LIMITED REVIEW REPORT FOR THE QUARTER  
ENDED ON JUNE 30, 2019**

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submitting Unaudited Financial Results (Standalone & Consolidated) for the quarter ended on June 30, 2019 as reviewed by audit committee and approved by Board of Directors in it's meeting held on September 12, 2019.

The statutory auditors have also carried out a limited review. The Limited Review Certificates of M/s Samir M. Shah & Associates, on Unaudited Financial Results (Consolidated & Standalone) for the quarter ended on June 30, 2019 are also forwarded herewith.

The Meeting conducted at 01.00 p.m. and concluded at 3:45 p.m.

Thanking you,

Yours faithfully,  
**For, Arman Financial Services Limited**

  
Jayendra Patel  
Vice Chairman & Managing Director  
(DIN: 00011814)



# 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](mailto:finance@armanindia.com); Website: [www.armanindia.com](http://www.armanindia.com)

## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

(Rs. In Lacs except per share data)			
PART-I			
Sr. No.	Particulars	Quarter ended	
		30.06.2019	30.06.2018
		Unaudited	Unaudited
1	<b>Income from operations</b>		
	a. Revenue from Operations		
	i. Interest Income	4,581.99	2,715.98
	ii. Fees and Commission Income	130.98	97.20
	iii. Income from Current Investment in Mutual Fund- Fair value through Profit & Loss	42.08	29.03
	iv. Others	23.23	9.77
	<b>Total revenue from Operations</b>	<b>4,778.29</b>	<b>2,851.99</b>
	b. Other Income	41.24	-
	<b>Total Income</b>	<b>4,819.53</b>	<b>2,851.99</b>
2	<b>Expenses</b>		
	a. Finance cost	1,824.94	1,143.05
	b. Fees and commission expenses	46.67	25.11
	c. Employees benefits expense	800.63	554.68
	d. Depreciation and amortisation expense	15.85	11.84
	e. Impairment on Financial Assets	66.08	(14.60)
	f. Other expenses	447.05	411.42
	<b>Total Expenses</b>	<b>3,201.22</b>	<b>2,131.49</b>
3	<b>Profit / (Loss) before an Exceptional and Tax (1-2)</b>	<b>1,618.31</b>	<b>720.50</b>
4	Exceptional Items	-	-
5	<b>Profit / (Loss) before Tax (3 - 4)</b>	<b>1,618.31</b>	<b>720.50</b>
8	<b>Tax Expense</b>		
	- Current tax	448.78	170.84
	- Deferred tax liability / (asset)	(41.52)	40.81
	<b>Tax Expenses</b>	<b>407.26</b>	<b>211.65</b>
9	<b>Profit / (Loss) for the period</b>	<b>1,211.05</b>	<b>508.85</b>
10	<b>Other comprehensive income / (loss)</b>		
	(a) (i) Items that will not be reclassified to profit and loss		
	- Remeasurement of Defined Benefit Obligations	(1.68)	(1.94)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.49	0.56
	(b) (i) Items that will be reclassified to profit and loss		
	- Fair Value change on Advances	(71.18)	45.21
	(ii) Income tax relating to items that will be reclassified to profit and loss	20.73	(11.52)
	<b>Other comprehensive income / (loss)</b>	<b>(51.64)</b>	<b>32.32</b>
11	<b>Total Comprehensive Income</b>	<b>1,159.41</b>	<b>541.17</b>
12	<b>Paid up Equity Share capital (face value of Rs. 10/-)</b>	<b>695.23</b>	<b>692.46</b>
12	<b>Earnings per share (in Rs.)</b>		
	(a) Basic EPS	17.42	7.35
	(b) Diluted EPS	13.73	5.92

### Notes:-

- The unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 [the 'Act']. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Act and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by Reserve Bank of India ('RBI') and other generally accepted accounting principles in India (collectively referred to as the 'Previous GMP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These unaudited standalone financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 June 2019 based on the Press Release issued by the Ministry of Corporate Affairs ('MCA') on 18 January 2016. Any application guidance / clarifications / directions Issued by RBI or other regulators are implemented as and when they are issued / applicable.

- In compliance with Regulation 33 of the Securities Exchange Board of India (the 'SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of the financial results for the quarter ended 30 June 2019 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31 March 2019 and previous year ended 31 March 2019. Further, the standalone financial results for the quarter ended 30 June 2018 have not been subjected to a limited review or audit. However, management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30 June 2018 provide a true and fair view of the Company's affairs.



As required by Ind AS 101, the profit reconciliation between the figures previously reported under Previous GMP and restated as per Ind AS is as under:


Description	Corresponding 3 months ended 30/06/2018 in the previous year
<b>A. Profit after tax as reported under previous GAAP</b>	460.75
<b><u>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP</u></b>	
i) Fair value Impact of Compulsory Convertible Debentures	85.16
ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	(21.41)
iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	(13.30)
iv) Impact on recognition of ECL on Advances	11.08
v) Impact on Employee stock options at Fair Value Method	20.62
vi) Impact due to fair valuation of Financial Guarantee	-
vii) Tax Impact on Above Adjustments	(34.05)
<b>Profit after tax as reported under Ind AS (A)</b>	<b>508.85</b>
<b>B. Other Comprehensive Income I (loss) (net of tax)</b>	
Less- Remeasurement of Defined Benefit Obligations	(1.94)
Add - Income tax relating to items that will not be reclassified to profit and loss	0.56
Add - Fair Value change on Advances	45.21
Less- Income tax relating to items that will be reclassified to profit and loss	(11.52)
<b>Total Other Comprehensive Income I (loss) (net of tax) (B)</b>	<b>32.32</b>
<b>C. Total Comprehensive Income as reported under Ind AS (A+B)</b>	<b>541.17</b>

- 3 The unaudited standalone financial results for the quarter ended 30 June 2019 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12th September 2019.
- 4 The Company has adopted Ind AS 116 "Leases" effective April 01, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- 5 The Company's business activity falls within a single business segment i.e. Non Banking Services hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 6 The performance of the quarter is not representative of the full year's performance.
- 7 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Date: 12.09.2019  
Place: Ahmedabad



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

  
Jayendra Patel  
Vice Chairman and Managing Director  
(DIN: 00011814)

# **SAMIR M. SHAH & ASSOCIATES**

## **Chartered Accountants**

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Corporate Office :- "Heaven", 8, Western Park Society, Nr. Inductotherm,  
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**Limited Review Report on Unaudited Quarterly Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors,  
**Arman Financial Services Limited**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Arman Financial Services Limited** (the "Parent") and its one subsidiary (the Parent and its subsidiary together referred to as the "Group"), for the quarter ended June 30, 2019 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Consolidated financial results for the quarter ended 30 June 2018 reported under previous GAAP are based on the Special Purpose Condensed Consolidated Financial Statements (the 'financial statements') of the Company for the quarter ended 30 June 2018. We draw attention to the fact that management has adjusted these previously issued financial statements for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') and presented reconciliation for the same, which have been approved by the Company's Board of Directors. The figures for the corresponding quarter ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in the Statement have not been subjected to review. Our conclusion is not modified with respect to this matter.
3. 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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
4. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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.
5. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable. The Statement includes the results of **Namra Finance Limited**.



6. Based on our review conducted and procedures performed as stated in paragraph 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 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 Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial information of (1) one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of Rs. 3242.47 lakhs for the quarter ended June 30, 2019, total net profit after tax of Rs. 719.09 lakhs for the quarter ended June 30, 2019 and total comprehensive income / (Loss) of Rs. (74.56) lakhs for the quarter ended June 30, 2019, as considered in the Statement. This interim financial information has been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors.

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

Place: Ahmedabad

Date: 12.09.2019

  
Samir M Shah  
Partner

M. No. 111052

UDIN - \_\_\_\_\_



# ARMAN FINANCIAL SERVICES LIMITED

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

CIN:L55910GJ1992PLC018623

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## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Sr. No.	Particulars	(Rs. In Lacs except per share data)	
		Quarter ended	
		30.06.2019	30.06.2018
		Unaudited	Unaudited
<b>1</b>	<b>Income from operations</b>		
	a. Revenue from Operations		
	i. Interest Income	1,561.94	906.15
	ii. Others	23.23	9.77
	<b>Total revenue from Operations</b>	<b>1,585.17</b>	<b>915.92</b>
	b. Other Income	31.40	34.81
	<b>Total Income</b>	<b>1,616.57</b>	<b>950.74</b>
<b>2</b>	<b>Expenses</b>		
	a. Finance cost	470.79	271.49
	b. Fees and commission expenses	15.72	4.43
	c. Employees benefits expense	301.04	198.29
	d. Depreciation and amortisation expense	2.49	3.42
	e. Impairment on Financial Assets	35.51	10.16
	f. Other expenses	152.79	182.82
	<b>Total Expenses</b>	<b>978.34</b>	<b>670.61</b>
<b>3</b>	<b>Profit / (Loss) before an Exceptional and Tax (1-2)</b>	<b>638.23</b>	<b>280.13</b>
<b>4</b>	<b>Exceptional Items</b>	-	-
<b>5</b>	<b>Profit / (Loss) before Tax (3 - 4)</b>	<b>638.23</b>	<b>280.13</b>
<b>8</b>	<b>Tax Expense</b>		
	- Current tax	160.13	46.12
	- Deferred tax liability / (asset)	(45.26)	33.30
	<b>Tax Expenses</b>	<b>114.87</b>	<b>79.42</b>
<b>9</b>	<b>Profit / (Loss) for the period</b>	<b>523.36</b>	<b>200.71</b>
<b>10</b>	<b>Other comprehensive income / (loss)</b>		
	(a) (i) Items that will not be reclassified to profit and loss		
	- Remeasurement of Defined Benefit Obligations	(1.02)	(2.40)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.30	0.70
	(b) (i) Items that will be reclassified to profit and loss		
	- Fair Value change on Advances	33.35	17.88
	(ii) Income tax relating to items that will be reclassified to profit and loss	(9.71)	(4.41)
	<b>Other comprehensive income / (loss)</b>	<b>22.92</b>	<b>11.77</b>
<b>11</b>	<b>Total Comprehensive Income</b>	<b>546.28</b>	<b>212.48</b>
<b>12</b>	<b>Paid up Equity Share capital (face value of Rs. 10/-)</b>	<b>695.23</b>	<b>692.46</b>
<b>12</b>	<b>Earnings per share (in Rs.)</b>		
	(a) Basic EPS	7.53	2.90
	(b) Diluted EPS	6.00	2.46

### Notes:-

- The unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 [the 'Act']. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Act and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by Reserve Bank of India ('RBI') and other generally accepted accounting principles in India (collectively referred to as the 'Previous GMP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These unaudited standalone financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 June 2019 based on the Press Release issued by the Ministry of Corporate Affairs ('MCA') on 18 January 2016. Any application guidance / clarifications / directions Issued by RBI or other regulators are implemented as and when they are issued / applicable.



- 2 In compliance with Regulation 33 of the Securities Exchange Board of India (the 'SEBI' (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of the financial results for the quarter ended 30 June 2019 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31 March 2019 and previous year ended 31 March 2019. Further, the standalone financial results for the quarter ended 30 June 2018 have not been subjected to a limited review or audit. However, management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30 June 2018 provide a true and fair view of the Company's affairs.

As required by Ind AS 101, the profit reconciliation between the figures previously reported under Previous GMP and restated as per Ind AS is as under:

	Description	Corresponding 3 months ended 30/06/2018 in the previous year
A.	<b>Profit after tax as reported under previous GAAP</b>	119.37
	<b><u>Adjustments resulting In Increase/(decrease) In profit after tax as reported under Previous GAAP</u></b>	
	i) Fair value Impact of Compulsory Convertible Debentures	85.16
	ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	(3.14)
	iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	0.41
	iv) Impact on recognition of ECL on Advances	(9.24)
	v) Impact on Employee stock options at Fair Value Method	6.75
	vi) Impact due to fair valuation of Financial Guarantee	34.81
	vii) Tax Impact on Above Adjustments	(33.42)
	<b><u>Profit after tax as reported under Ind AS (A)</u></b>	<b>200.71</b>
B.	<b><u>Other Comprehensive Income I (loss) (net of tax)</u></b>	
	Less- Remeasurement of Defined Benefit Obligations	(2.40)
	Add - Tax Impact on Above	0.70
	Add - Fair Value change on Advances	17.88
	Less- Tax Impact on Above	(4.41)
	<b><u>Total Other Comprehensive Income I (loss) (net of tax) (B)</u></b>	<b>11.77</b>
C.	<b><u>Total Comprehensive Income as reported under Ind AS (A+B)</u></b>	<b>212.48</b>

- 3 The unaudited standalone financial results for the quarter ended 30 June 2019 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12th September 2019.
- 4 The Company has adopted Ind AS 116 "Leases" effective April 01, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- 5 The Company's business activity falls within a single business segment i.e. Non Banking Services hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 6 The performance of the quarter is not representative of the full year's performance.
- 7 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Date: 12.09.2019  
Place: Ahmedabad



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

Jayendra Patel  
Vice Chairman and Managing Director  
(DIN: 00011814)

# SAMIR M. SHAH & ASSOCIATES

## Chartered Accountants

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### Limited Review Report on Unaudited Quarterly Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
Arman Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Arman Financial Services Limited** (the 'Company') for the quarter ended 30 June 2019 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The standalone financial results for the quarter ended 30 June 2018 reported under previous GAAP are based on the Special Purpose Condensed Standalone Financial Statements (the 'financial statements') of the Company for the quarter ended 30 June 2018. We draw attention to the fact that management has adjusted these previously issued financial statements for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') and presented reconciliation for the same, which have been approved by the Company's Board of Directors. The figures for the corresponding quarter ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in the Statement have not been subjected to review. Our conclusion is not modified with respect to this matter.
3. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
4. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results 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 Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad  
Date: 12.09.2019

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

  
Samir M Shah  
Partner  
M. No. 111052



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## Arman Financial Services Ltd.

### Arman Financial reports 138% increase in Q1 FY20 profit after tax at ₹ 12.1 crore

#### Consolidated AUM grows to ₹ 722.5 crore; up 57% Y-o-Y

**Ahmedabad, India, 13 September 2019:** 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 first quarter ended 30th June 2019.

Particulars (In ₹ Crores)	Q1 FY20	Q1 FY19	YoY%	FY19 *
Assets Under Management (AUM)	722.5	460.3	57%	684.7
Total Disbursement	191.5	154.8	24%	789.8
Gross Total Income	48.2	28.5	69%	141.1
Profit After Tax	12.1	5.1	138%	21.3
GNPA %	1.1%	1.6%	-51 bps	1.0%
NNPA %	0.6%	1.1%	-41 bps	0.9%
RoE %**	34.6%	18.3%	1,635 bps	25.9%

**Note:** \*FY19 figures are as per I-GAAP while quarterly figures are as per IndAS Accounting standards

\*\* RoE figures are annualized on a fully diluted equity base

#### Consolidated Financial Highlights - Q1 FY2019-20 (April - June 2019) v/s. Q1 FY2018-19 (April - June 2018)

- Asset under management as on 30 June 2019 stood at ₹ 722.5 crore (+57% YoY)
- Total Disbursements as on 30 June 2019 stood at ₹ 191.8 crore (+24% YoY)
- Gross Total Income increased by 69% to ₹ 48.2 crore from ₹ 28.5 crore
- Net Total Income increased by 75% to ₹ 29.9 crore from ₹ 17.1 crore
- Cost-to-Income Ratio improved to 35.5% for Q1 FY20 as against 43.5%
- Profit after tax increased by 138% to ₹ 12.1 crore from ₹ 5.1 crore
- Consolidated Debt-Equity Ratio (on a fully diluted basis) as of 30 June 2019 stood at 4.58

#### Operational Highlights - Q1 FY2019-20 (April - June 2019) v/s. Q1 FY2018-19 (April - June 2018)

- The total operational branches as on 30 June 2019 are 209, of which 178 are in Microfinance segment, 26 in MSME and the rest are in 2-Wheeler.
- Robust asset quality - Consolidated Gross NPA of 1.1% and Net NPA of 0.6%

*Commenting on the Company's performance for Q1FY2019-20, Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services said, "Despite the ongoing liquidity tightening and other macroeconomic headwinds, Arman delivered a strong all-round performance in the first quarter, driven by robust growth in our loan book combined with improvement in NIM, cost-to-income ratio and asset quality. This was the first quarter of Indian Accounting Standard (IndAS) implementation, which resulted in several notional changes in the Financials compared to the previous iGAAP Standards. Growth in our loan assets was characterised by a healthy jump across all 3 of our lending segments. Further, we enhanced our geographic presence by launching 41 new branches during the quarter as a part of our FY20 expansion strategy.*

*Positive ALM, superior asset quality and a strong performance track record have helped us keep our finance costs in check and maintain adequate liquidity, despite the tough liquidity conditions faced by the NBFC sector in general. Disciplined lending backed by a rigorous credit appraisal and collection model have enabled us to keep our credit costs under control. Our consolidated Debt-Equity Ratio stood at 4.58:1, which provides us sufficient capital to drive growth in the current year. Moving forward, our endeavour is to continue our growth momentum, while exercising prudence in lending and maintaining adequate liquidity. We will closely monitor rural macroeconomic indicators and make all necessary adjustments to protect asset quality.*





## Arman Financial Services Ltd.

### Segmental Performance Update - Q1 FY2019-20 (April - June 2019) v/s. Q1 FY2018-19 (April - June 2018)

#### Microfinance - Financial Highlights

Particulars (In ₹ Crores)	Q1 FY20	Q1 FY19	YoY%
Assets Under Management	513.7	316.3	62%
Total Disbursement	139.5	116.1	20%
Gross Total Income	32.4	19.9	63%
Profit After Tax	7.2	3.4	110%
GNPA %	0.7%	1.1%	-44 bps
NNPA % ***	0.7%	1.1%	-44 bps

\*\*\* Provisioning for NBFC-MFIs are on Standard Assets. The NNPA% does not consider provisioning on Standard Assets.

- Microfinance contributed 71% of total AUM in Q1 FY20
- Q1 FY20 MFI AUM stood at ₹ 513.7 crore (+62% YoY)
- Q1 FY20 Net Profit increased by 110% YoY to ₹ 7.2 Cr, mostly as a result of a proportionately lower increase in operational expenses, finance costs; and higher margins on securitized assets.
- Net NPA improved to 0.7% as on 30 June 2019

#### Two-wheeler & MSME – Financial Highlights

Particulars (In ₹ Crores)	Q1 FY20	Q1 FY19	YoY%
Assets Under Management	208.8	144.1	45%
Total Disbursement	51.9	38.7	34%
Gross Total Income	16.2	9.5	70%
Profit After Tax	5.2	2.0	161%
GNPA %	2.0%	2.6%	-57 bps
NNPA %	0.5%	0.9%	-37 bps

- 2W & MSME contributed 29% of total AUM in Q1 FY20
- Q1 FY20 AUM stood at ₹ 208.8 crore (+45% YoY).
  - MSME AUM stood at ₹ 110 crores
  - 2W AUM stood at ₹ 98.8 crores
- Q1 FY20 Net Profit increased by 161% YoY to ₹ 5.2 Cr driven by higher NIM in the MSME book
- Net NPA improved to 0.5% as on 30 June 2019 as a result of lower GNPA and higher provisioning.

### About Arman Financial Service 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, a NBFC-MFI. The group operates mostly in unorganized and underserved segment of the economy and mostly serve niche rural markets in Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Uttarakhand, and Rajasthan through its network of 209 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](http://www.armanindia.com).

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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.

For, Arman Financial Services Limited

 Director





**Arman Financial Services Ltd.**

**Arman Financial  
Services Ltd.**  
Investor Presentation 2019

**from ACCESS to INCLUSION**



# DISCLAIMER

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# CONTENTS

04 Performance Update - Q1 FY20

15 Liability Overview

18 Company Overview

26 Product Overview

30 Annexures



**Arman Financial Services Ltd.**



**Arman Financial Services Ltd.**



# Financial Performance Update - Q1 FY20



# Q1 FY20 - Financial Performance Highlights



Total AUM increased by 57% to INR 7,225 Mn (Q1 FY19 AUM: INR 4,603 Mn)



Total Disbursements Increased by 24% to INR 1,915 Mn (Q1 FY19: INR 1,548 Mn)



Gross Total Income increased by 69% to INR 482.0 Mn (Q1 FY19: INR 285.2 Mn)



Net Total Income increased by 75% to INR 294.8 Mn (Q1 FY19: INR 168.4 Mn)



Total PPoP increased by 112% to INR 176.6 Mn (Q1 FY19: INR 83.2 Mn)



Total Profit After Tax increased by 138% to INR 121.1 Mn (Q1 FY19: INR 50.9 Mn)

# Q1 FY20 - Consolidated Profit & Loss Statement



## As per IND-AS

Particulars (INR Mn)	Q1 FY20	Q1 FY19	YoY (%)
<b>Asset Under Management</b>	<b>7,225</b>	<b>4,603</b>	<b>57%</b>
<b>Disbursements</b>	<b>1,915</b>	<b>1,548</b>	<b>24%</b>
<b>Shareholder's Equity *</b>	<b>1,400</b>	<b>1,115</b>	<b>26%</b>
Income from Operations	471.3	281.3	68%
Other Income	10.7	3.9	175%
<b>Gross Total Income</b>	<b>482.0</b>	<b>285.2</b>	<b>69%</b>
Finance Costs	187.2	116.8	60%
<b>Net Total Income (NTI)</b>	<b>294.8</b>	<b>168.4</b>	<b>75%</b>
Employee Benefits Expenses	80.1	55.5	44%
Depreciation and Amortisation	1.6	1.2	34%
Other Expenses	36.5	28.5	28%
<b>Pre-Provision Operating Profit</b>	<b>176.6</b>	<b>83.2</b>	<b>112%</b>
Provision & Write-offs	14.8	11.2	33%
<b>Profit before Tax</b>	<b>161.8</b>	<b>72.0</b>	<b>125%</b>
Less : Tax expense:	40.7	21.2	92%
<b>Profit for the year</b>	<b>121.1</b>	<b>50.9</b>	<b>138%</b>
<b>GNPA %</b>	<b>1.1%</b>	<b>1.6%</b>	
<b>NNPA %</b>	<b>0.6%</b>	<b>1.1%</b>	
<b>Return on Avg. AUM %</b>	<b>6.9%</b>	<b>4.5%</b>	
<b>Return on Equity %</b>	<b>36.0%</b>	<b>34.7%</b>	

## As per I-GAAP

Particulars (INR Mn)	Q1 FY20	Q1 FY19	YoY (%)
<b>Asset Under Management</b>	<b>7,225</b>	<b>4,603</b>	<b>57%</b>
<b>Disbursements</b>	<b>1,915</b>	<b>1,548</b>	<b>24%</b>
<b>Shareholder's Equity</b>	<b>1,400</b>	<b>1,115</b>	<b>26%</b>
Income from Operations	476.5	291.5	63%
Other Income	4.1	0.0	
<b>Gross Total Income</b>	<b>480.6</b>	<b>291.5</b>	<b>65%</b>
Finance Costs	202.7	128.2	58%
<b>Net Total Income (NTI)</b>	<b>277.9</b>	<b>163.3</b>	<b>70%</b>
Employee Benefits Expenses	79.9	57.4	39%
Depreciation and Amortisation	1.5	1.2	23%
Other Expenses	36.8	28.1	31%
<b>Pre-Provision Operating Profit</b>	<b>159.8</b>	<b>76.7</b>	<b>108%</b>
Provision & Write-offs	8.8	12.8	-31%
<b>Profit before Tax</b>	<b>151.0</b>	<b>63.8</b>	<b>136%</b>
Less : Tax expense:	40.7	17.8	129%
<b>Profit for the year</b>	<b>110.2</b>	<b>46.1</b>	<b>139%</b>
<b>GNPA %</b>	<b>1.1%</b>	<b>1.6%</b>	
<b>NNPA %</b>	<b>0.6%</b>	<b>1.1%</b>	
<b>Return on Avg. AUM %</b>	<b>6.3%</b>	<b>4.0%</b>	
<b>Return on Equity %</b>	<b>32.8%</b>	<b>31.5%</b>	

Note:

\* Fully-diluted equity base

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 FY20 - Microfinance “Namra” Performance Update



## As per IND-AS

Particulars (INR Mn)	Q1 FY20	Q1 FY19	YoY (%)
<b>Asset Under Management</b>	<b>5,137</b>	<b>3,163</b>	<b>62%</b>
<b>Disbursement</b>	<b>1,395</b>	<b>1,161</b>	<b>20%</b>
Interest income	315.9	195.7	61%
Other Income	8.3	2.9	186%
<b>Gross Total Income</b>	<b>324.2</b>	<b>198.6</b>	<b>63%</b>
Finance Costs	139.3	94.2	48%
<b>Net Total Income (NTI)</b>	<b>184.9</b>	<b>104.4</b>	<b>77%</b>
Employee Benefits Expenses	50.0	35.6	40%
Depreciation and Amortisation	1.3	0.8	55%
Other Expenses	23.9	15.7	52%
<b>Pre-Provision Operating Profit</b>	<b>109.7</b>	<b>52.2</b>	<b>110%</b>
Provision & Write-offs	8.6	4.7	83%
<b>Profit before Tax</b>	<b>101.2</b>	<b>47.5</b>	<b>113%</b>
Less : Tax expense	29.2	13.2	121%
<b>Profit for the year</b>	<b>71.9</b>	<b>34.3</b>	<b>109%</b>
<b>GNPA %</b>	<b>0.7%</b>	<b>1.1%</b>	
<b>NNPA % *</b>	<b>0.7%</b>	<b>1.1%</b>	
<b>Return on Avg. AUM %</b>	<b>5.8%</b>	<b>4.3%</b>	
<b>Return on Equity %</b>	<b>34.6%</b>	<b>29.7%</b>	

### Note:

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards; figures for all other periods are as per I-GAAP .
- \* Provisioning for NBFC-MFIs are on Standard Assets. The NNPA% does not consider provisioning on Standard Assets.
- Interest Income includes interest income from managed assets; Other Income includes processing fees, and other charges in respect of loans.
- NIM = NTI / Avg. AUM (On + Off-Book); Yields = Gross Total 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

- Witnessed strong traction in AUM backed by increase in customer base and average ticket size
  - Active MFI Customer base stood at ~3.0 Lakhs in June 2019 (+34% YoY)
  - Controlled disbursements due to macroeconomic circumstances and elections during the last quarter
- Net total income grew by 77% to INR 184.9 Mn. NIM's improved by 162 bps to 14.8% led by -
  - Improvement in yields to 25.9% (+80 bps YoY)
  - Higher margins on securitised assets
  - Proportionately lower rise in interest costs
- Operating leverage resulted in lower Cost-to-Income Ratio (40.7% in Q1 FY20 vs. 50.0% in Q1 FY19)
  - This led to disproportionately higher growth in Pre-provisioning Operating Profit (+110% YoY)
- Prudent lending backed by robust collection system helped us improve our Asset Quality –
  - GNPA and NNPA improved to 0.7% (lower by ~40 bps)

# Q1 FY20 - Microfinance Performance Update - Reconciliation to IND-AS



Particulars (INR Mn)	Q1 FY20 (IND-AS)	Q1 FY20 (I-GAAP)	Chg (%)
<b>Gross Total Income</b>	<b>324.2</b>	<b>321.5</b>	<b>0.8%</b>
Finance Costs	139.3	144.1	-3.3%
<b>Net Total Income (NTI)</b>	<b>184.9</b>	<b>177.4</b>	<b>4.2%</b>
<b>Pre-Provision Operating Profit</b>	<b>109.7</b>	<b>102.1</b>	<b>7.4%</b>
Provision & Write-offs	8.6	5.5	56.4%
<b>Profit before Tax</b>	<b>102.2</b>	<b>96.7</b>	<b>5.7%</b>
<b>Profit after Tax</b>	<b>71.9</b>	<b>67.4</b>	<b>6.7%</b>
<i>GNPA %</i>	<i>0.7%</i>	<i>0.7%</i>	
<i>NNPA % *</i>	<i>0.7%</i>	<i>0.7%</i>	
<i>Return on Avg. AUM %</i>	<i>5.8%</i>	<i>5.6%</i>	
<i>Return on Equity %</i>	<i>34.6%</i>	<i>32.4%</i>	

Particulars (INR Mn)	Q1 FY19 (IND-AS)	Q1 FY19 (I-GAAP)	Chg (%)
<b>Gross Total Income</b>	<b>198.6</b>	<b>200.0</b>	<b>-0.7%</b>
Finance Costs	94.2	92.4	1.9%
<b>Net Total Income (NTI)</b>	<b>104.4</b>	<b>107.6</b>	<b>-3.0%</b>
<b>Pre-Provision Operating Profit</b>	<b>52.2</b>	<b>54.5</b>	<b>-4.2%</b>
Provision & Write-offs	4.7	7.2	-34.7%
<b>Profit before Tax</b>	<b>47.5</b>	<b>47.3</b>	<b>0.4%</b>
<b>Profit after Tax</b>	<b>34.3</b>	<b>34.1</b>	<b>0.6%</b>
<i>GNPA %</i>	<i>1.1%</i>	<i>1.1%</i>	
<i>NNPA % *</i>	<i>1.1%</i>	<i>1.1%</i>	
<i>Return on Avg. AUM %</i>	<i>4.3%</i>	<i>4.3%</i>	
<i>Return on Equity %</i>	<i>29.7%</i>	<i>29.5%</i>	

Reconciliation from I-GAAP to IND-AS		
Particulars	Q1 FY20	Q1 FY19
<b>Profit after tax as reported under previous GAAP</b>	<b>67.4</b>	<b>34.1</b>
<u>Adjustments resulting In Increase/(decrease) In profit after tax as reported under Previous GAAP</u>		
i) Fair value Impact of Compulsory Convertible Debentures	0.0	0.0
ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	4.8	(1.8)
iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	(1.5)	(4.3)
Income from Current Investment in Mutual Fund- Fair value through Profit & Loss	4.2	2.9
iv) Impact on recognition of ECL on Advances	(3.1)	2.0
Impact due to IND-AS 116 - Lease assets	0.0	0.0
v) Impact on Employee stock options at Fair Value Method	0.0	1.4
vi) Impact due to fair valuation of Financial Guarantee	0.0	0.0
vii) Tax Impact on Above Adjustments	0.0	(0.1)
<b>Profit before tax as reported under Ind AS (A)</b>	<b>71.9</b>	<b>34.3</b>

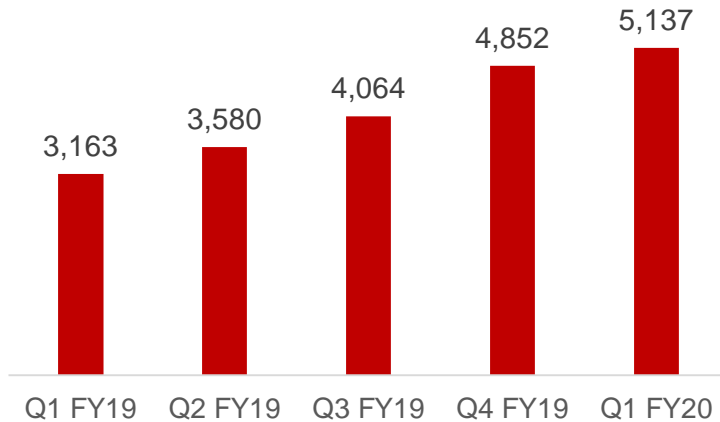
**Note:**

- \* Provisioning for NBFC-MFIs are on Standard Assets. The NNPA% does not consider provisioning on Standard Assets.
- 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

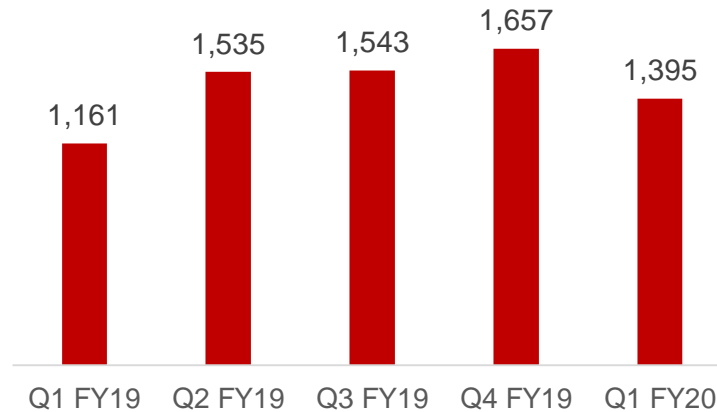
# Q1 FY20 - Microfinance Performance Update



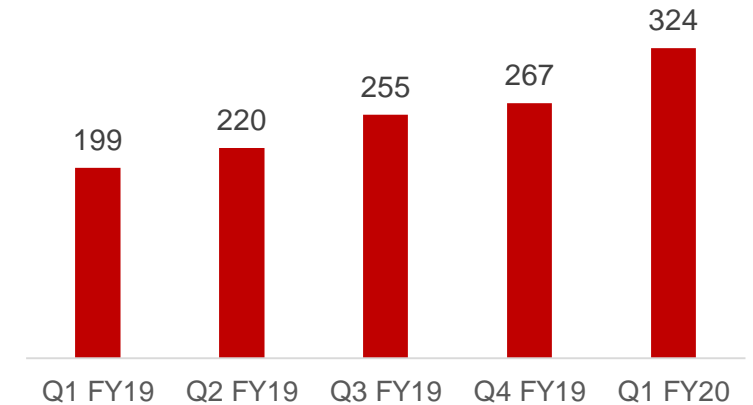
## AUM (INR Mn)



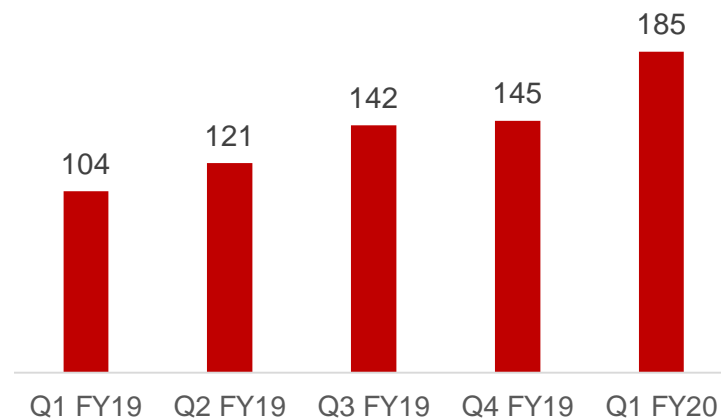
## Disbursement (INR Mn)



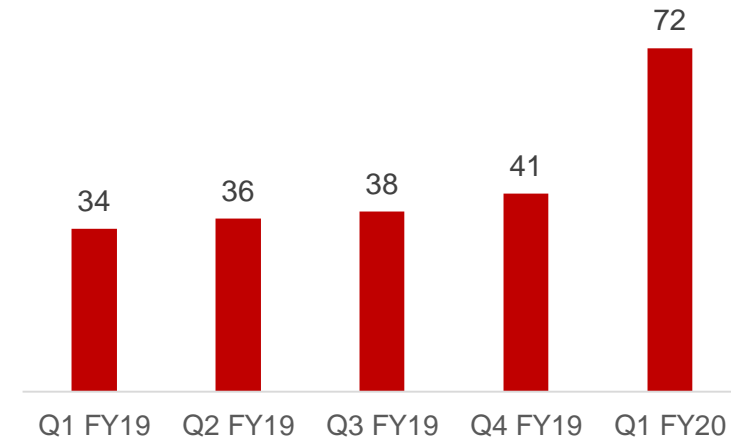
## Gross Total Income (INR Mn)



## Net Total Income (INR Mn)



## PAT (INR Mn)



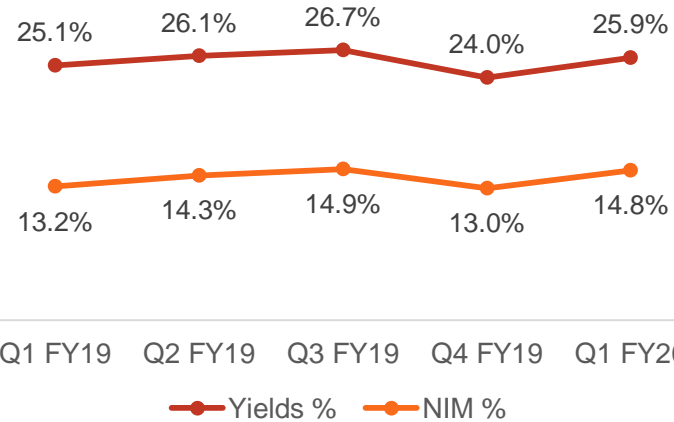
### Note:

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards, figures for all other periods are as per I-GAAP
- $Net\ Total\ Income = Gross\ Total\ Income - Finance\ Cost$

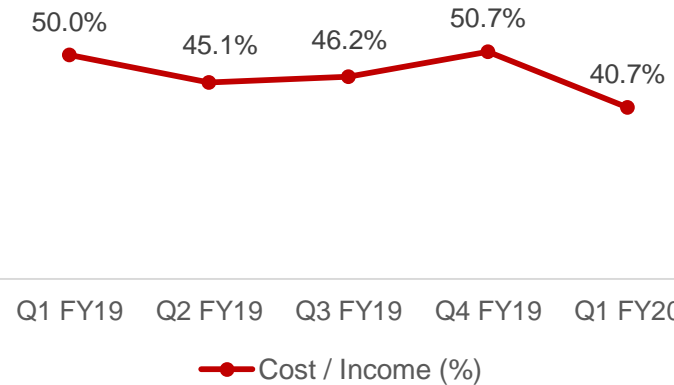
# Q1 FY20 - Microfinance Performance Update



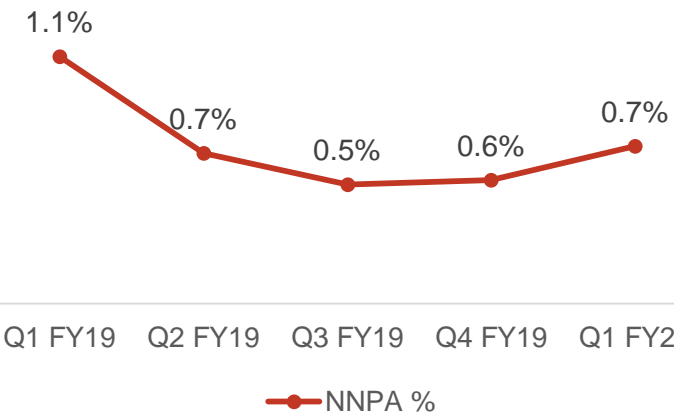
## Yields % and NIM %



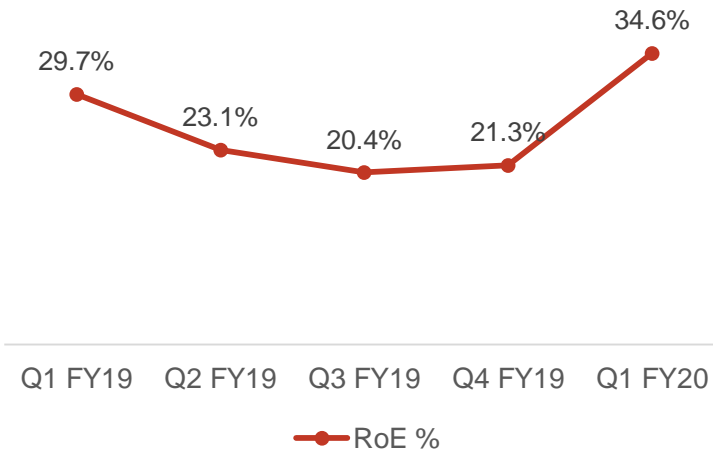
## Cost-to-Income Ratio %



## Asset Quality



## ROE %



**Note:**

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards, figures for all other periods are as per I-GAAP
- $NIM = \frac{NTI}{Avg. AUM (On + Off-Book)}$ ;  $Yields = \frac{Gross Total Income}{Avg. AUM (On + Off-Book)}$ ;  $Cost-to-Income Ratio = \frac{Opex (excl. provisions)}{Net Total Income}$ ;  $NNPA \% = \frac{NNPA}{AUM}$ ;  $RoE = \frac{PAT}{Avg. Equity}$ . RoE, Yields and NIM % figures are annualized

# Q1 FY20 - Standalone Performance Update (2W & MSME)



## As per IND-AS

Particulars (INR Mn)	Q1 FY20	Q1 FY19	YoY (%)
<b>Asset Under Management</b>	<b>2,088</b>	<b>1,441</b>	<b>45%</b>
<b>Disbursement</b>	<b>519</b>	<b>387</b>	<b>34%</b>
Interest income	156.2	90.6	72%
Other Income	5.5	4.5	23%
<b>Gross Total Income</b>	<b>161.7</b>	<b>95.1</b>	<b>70%</b>
Finance Costs	48.7	27.6	76%
<b>Net Total Income (NTI)</b>	<b>113.0</b>	<b>67.5</b>	<b>67%</b>
Employee Benefits Expenses	30.1	19.8	52%
Depreciation and Amortisation	0.2	0.3	-27%
Other Expenses	12.6	13.3	-5%
<b>Pre-Provision Operating Profit</b>	<b>70.1</b>	<b>34.1</b>	<b>106%</b>
Provision & Write-offs	6.3	6.0	4%
<b>Profit before Tax</b>	<b>63.8</b>	<b>28.1</b>	<b>128%</b>
Less : Tax expense	11.5	7.9	45%
<b>Profit for the year</b>	<b>52.3</b>	<b>20.1</b>	<b>161%</b>
<b>GNPA %</b>	<b>2.0%</b>	<b>2.6%</b>	
<b>NNPA %</b>	<b>0.5%</b>	<b>0.9%</b>	
<b>Return on Avg. AUM %</b>	<b>10.2%</b>	<b>5.7%</b>	

### Note:

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards; figures for all other periods are as per I-GAAP .
- Interest Income includes interest income from managed assets. Other Income includes processing fees, and other charges in respect of loans.
- $NIM = NTI / \text{Avg. AUM (On + Off-Book)}$ ;  $RoE = PAT / \text{Avg. Equity}$ ;  $GNPA \% = GNPA / \text{AUM (On + Off-Book)}$ ;  $NNPA \% = NNPA / \text{AUM (On + Off-Book)}$ . Return on Avg. AUM figures are annualized

- Witnessed strong traction in the MSME business segment
  - No. of loans disbursed increased by 87.0% YoY to 30,476
- 2W AUM witnessed a marginal decline on a QoQ basis due to the ongoing slowdown in domestic 2W sales
- Net total income grew by 67% to INR 113.0 Mn and NIM's improved by 280 bps to 22.1% driven by -
  - Higher NIMs in the MSME book with lower leveraging
- Proportionately lower increase in operating expenses and provisions led to disproportionately higher growth in profit before tax to INR 63.8 Mn (+127% YoY)
- Credit costs are lower in MSME book
- Prudent lending backed by robust collection system helped us improve our Asset Quality –
  - GNPA improved to 2.0% (lower by 57 bps)
  - NNPA improved to 0.9% (lower by 37 bps)

# Q1 FY20 - Standalone Performance Update - Reconciliation to IND-AS



Particulars (INR Mn)	Q1 FY20 (IND-AS)	Q1 FY20 (I-GAAP)	Chg (%)
<b>Gross Total Income</b>	<b>161.7</b>	<b>159.1</b>	<b>1.6%</b>
Finance Costs	48.7	58.6	-16.9%
<b>Net Total Income (NTI)</b>	<b>113.0</b>	<b>100.5</b>	<b>12.4%</b>
<b>Pre-Provision Operating Profit</b>	<b>70.1</b>	<b>57.6</b>	<b>21.7%</b>
Provision & Write-offs	6.3	3.3	90.9%
<b>Profit before Tax</b>	<b>63.8</b>	<b>54.3</b>	<b>17.5%</b>
<b>Profit after Tax</b>	<b>52.3</b>	<b>42.8</b>	<b>22.2%</b>
<b>GNPA %</b>	<b>2.0%</b>	<b>2.0%</b>	
<b>NNPA %</b>	<b>0.5%</b>	<b>0.5%</b>	
<b>Return on Avg. AUM %</b>	<b>10.2%</b>	<b>8.4%</b>	

Particulars (INR Mn)	Q1 FY19 (IND-AS)	Q1 FY19 (I-GAAP)	Chg (%)
<b>Gross Total Income</b>	<b>95.1</b>	<b>91.5</b>	<b>3.9%</b>
Finance Costs	27.6	35.8	-22.9%
<b>Net Total Income (NTI)</b>	<b>67.5</b>	<b>55.8</b>	<b>21.0%</b>
<b>Pre-Provision Operating Profit</b>	<b>34.1</b>	<b>22.2</b>	<b>53.6%</b>
Provision & Write-offs	6.0	5.6	7.1%
<b>Profit before Tax</b>	<b>28.1</b>	<b>16.5</b>	<b>70.3%</b>
<b>Profit after Tax</b>	<b>20.1</b>	<b>11.9</b>	<b>68.9%</b>
<b>GNPA %</b>	<b>2.6%</b>	<b>2.6%</b>	
<b>NNPA % *</b>	<b>0.9%</b>	<b>0.9%</b>	
<b>Return on Avg. AUM %</b>	<b>5.7%</b>	<b>3.4%</b>	

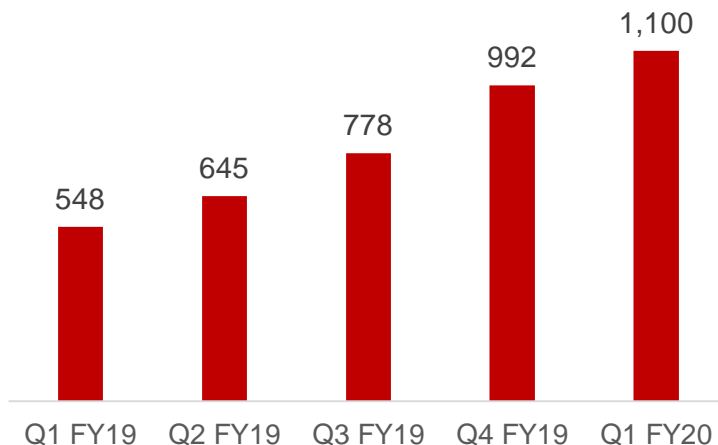
Reconciliation from I-GAAP to IND-AS		
Particulars	Q1 FY20	Q1 FY19
<b>Profit before tax as reported under previous GAAP</b>	<b>42.8</b>	<b>11.9</b>
<u>Adjustments resulting In Increase/(decrease) In profit after tax as reported under Previous GAAP</u>		
i) Fair value Impact of Compulsory Convertible Debentures	11.0	8.5
ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	(1.0)	(0.3)
iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	(0.6)	0.0
Income from Current Investment in Mutual Fund- Fair value through Profit & Loss	-	-
iv) Impact on recognition of ECL on Advances	(2.9)	(0.9)
Impact due to IND-AS 116 - Lease assets	-	-
v) Impact on Employee stock options at Fair Value Method	-	0.7
vi) Impact due to fair valuation of Financial Guarantee	3.1	3.5
vii) Tax Impact on Above Adjustments	-	(3.3)
<b>Profit before tax as reported under Ind AS (A)</b>	<b>52.3</b>	<b>20.1</b>

**Note:** GNPA % = GNPA / AUM (On + Off-Book) ; NNPA % = NNPA / AUM (On + Off-Book). Return on Avg. AUM figures are annualized

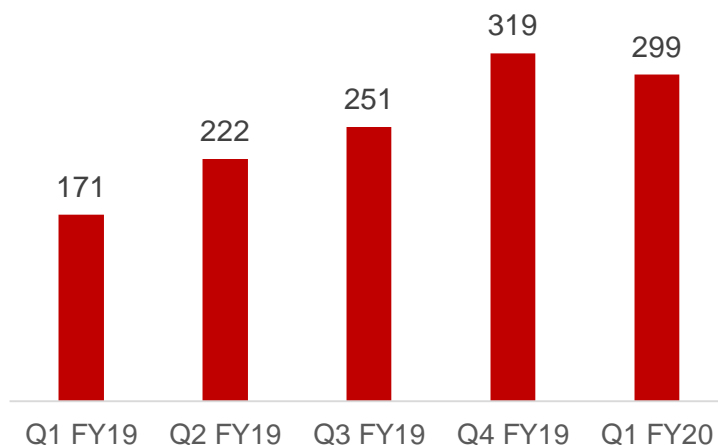
# Q1 FY20 - MSME Performance Update



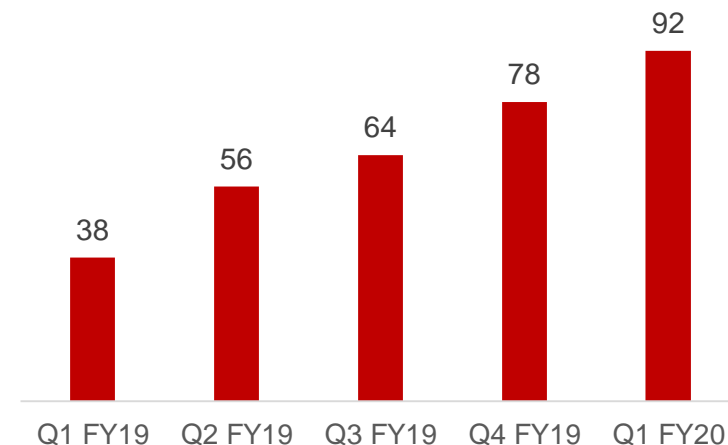
## AUM (INR Mn)



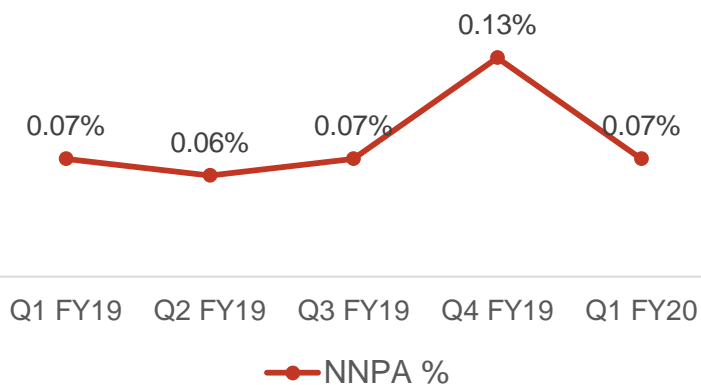
## Disbursements (INR Mn)



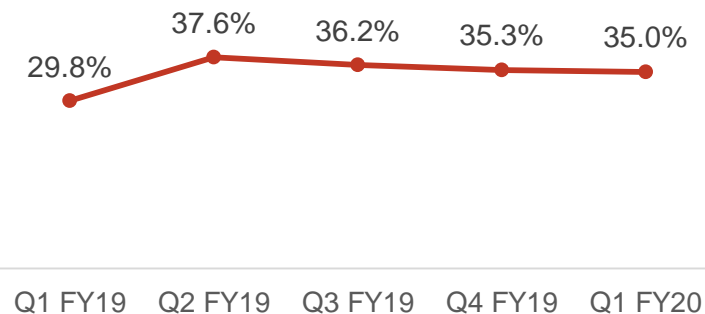
## Gross Interest Income (INR Mn)



## Asset Quality



## Yields %



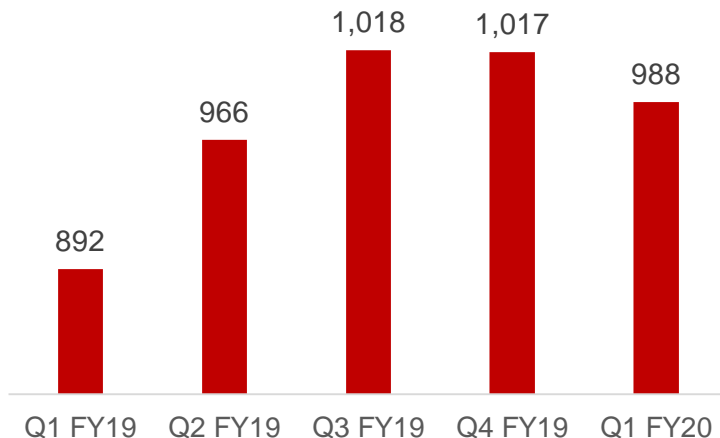
### Note:

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards, figures for all other periods are as per I-GAAP
- $Yields = \text{Gross Interest Income} / \text{Avg. AUM (On + Off-Book)}$ ;  $NNPA \% = NNPA / AUM$ . Yields % figures are annualized

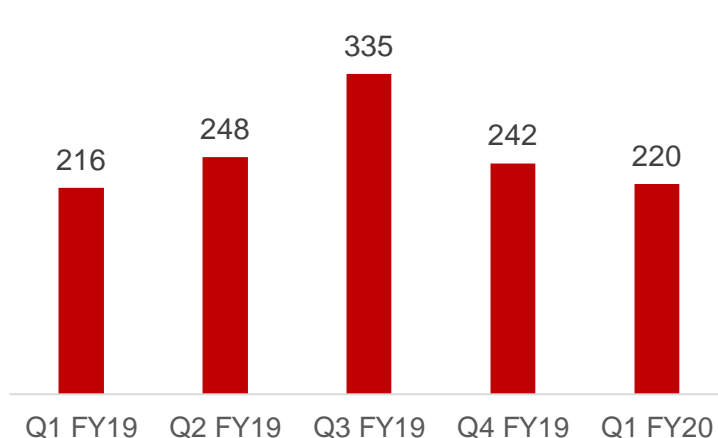
# Q1 FY20 - 2W Performance Update



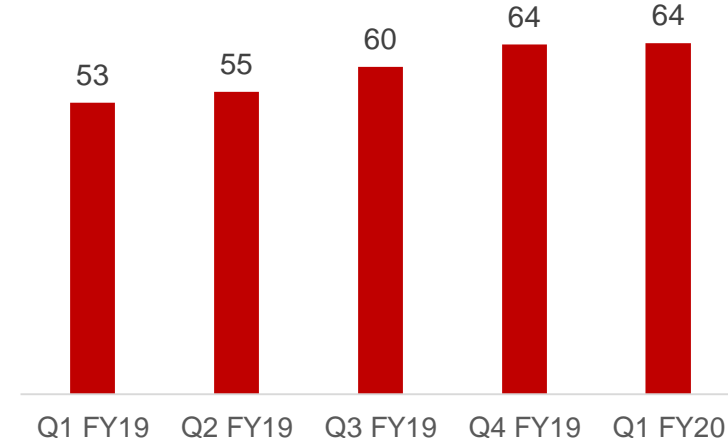
## AUM (INR Mn)



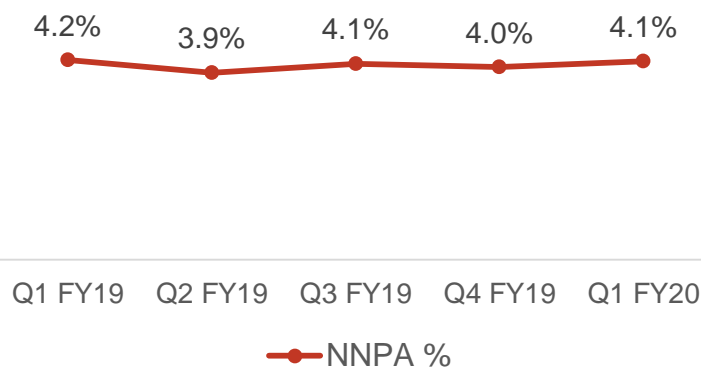
## Disbursement (INR Mn)



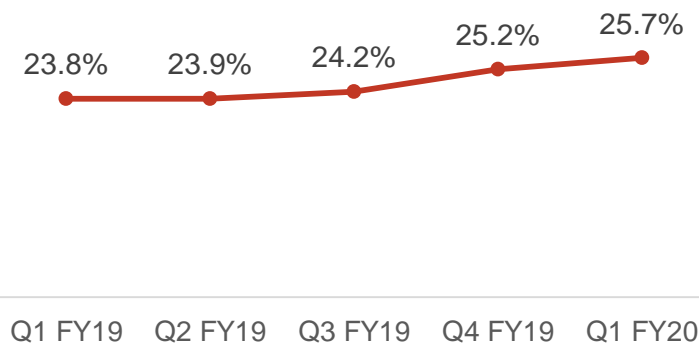
## Gross Interest Income (INR Mn)



## Asset Quality



## Yields %



### Note:

- Q1 FY20 and Q1 FY19 figures are as per IND-AS accounting standards, figures for all other periods are as per I-GAAP
- $Yields = \text{Gross Interest Income} / \text{Avg. AUM (On + Off-Book)}$ ;  $NNPA \% = NNPA / AUM$ . Yields % figures are annualized



**Arman Financial Services Ltd.**



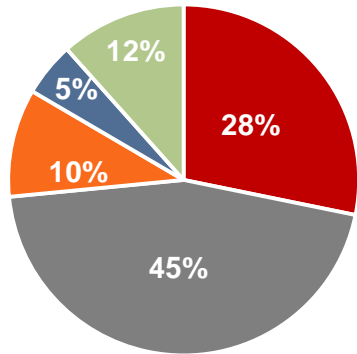
## Liability Overview

# Efficient Liability Management

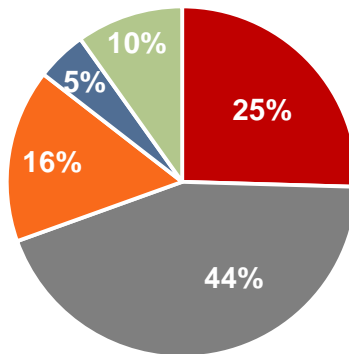


Funding profile is well diversified with increasing share of NCDs, NABARD refinance & securitization

Q4 FY19 - Borrowing Mix %



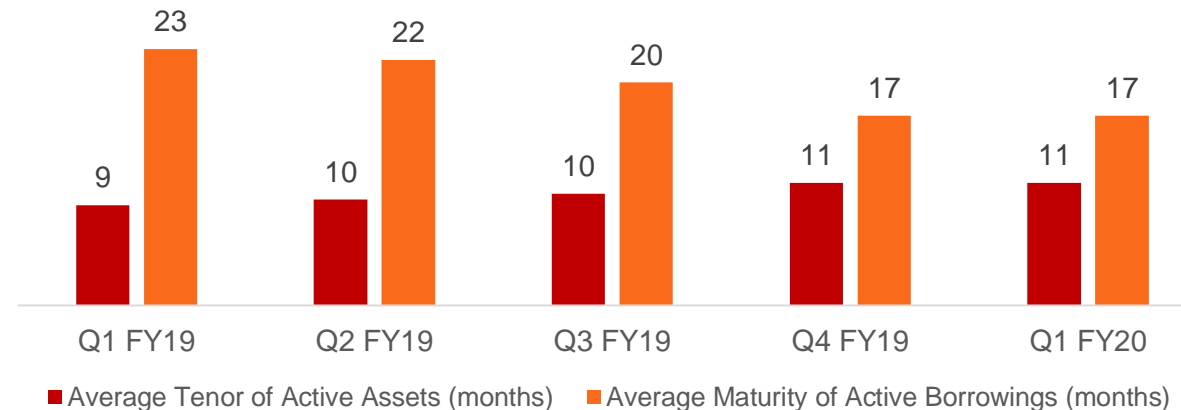
Q1 FY20 - Borrowing Mix %



■ Banks & SFBs ■ NBFCs ■ NCD ■ NABARD ■ Securitization

- Well-diversified borrowing mix with increasing share of NCD's, NABARD Refinance and Securitization
  - Share of NCD's, NABARD Refinance and Securitization represented **~31% of borrowings in Q1 FY20** as compared to **~27%** in Q4 FY19
- **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 also availed **short-term bank facilities** which have been assigned **A2 rating by CARE Ratings**
- **Comfortable liquidity position backed by Positive ALM**

## Positive ALM (in Months)



# Lending partners



## Bank Borrowings



## Non-Bank Borrowings



## Securitization Partners





**Arman Financial Services Ltd.**



## Company Overview



## 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: 0.6% (Q1 FY20)
- **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 7,225 Mn in Q1 FY20**
- **Microfinance** – 71% of AUM (*via 100% owned subsidiary “Namra Finance”*)
- **MSME Loans** – 15% of AUM
- **2-Wheeler Loans** – 14% of AUM
- **Healthy Spreads: Q1FY20** Yields 27.2%, NIM 16.8%



**Arman Financial Services Ltd.**

## Strong Financial Performance

- **High-Growth Trajectory (FY2014-19 CAGR) :**
  - **AUM: 50%**
  - **PAT: 37%**
- **Consolidated debt to equity ratio of 4.58:1** – Sufficient Capital to drive growth going forward
- **High Return Ratios:**
  - **Q1 FY20 - ROE (%): 36.0% , ROAA\* (%): 6.9%**

## Strong Retail Presence & Wide Distribution Network

- 209 branches; 70+ 2-Wheeler dealerships
- 82 Districts, 6 states
- 3.66 lakh live customers
- 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

# Business Progression



Company incorporated.  
Started bill discounting & machine leasing

1992

1995

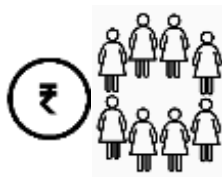
Listing on BSE – Issue subscribed 22x

Launched 2W Loans

1998

2010

Launched Microfinance business



Raised PE funding from Incofin;  
Disbursement crosses 50 Cr

2011

2013

Demerged MFI operations into “**Namra Finance**”;  
Disbursement crosses 100 Cr

Expanded to Maharashtra, MP, UP & Uttarakhand;  
listing on NSE

2014-16

2017

Launched MSME Loans business



Crosses 100 branches across 5 states & 3 products;  
Disbursement crosses 500 Cr

2017-18

2018

Raised PE funding from SAIF Partners

Disbursement crosses 750 Cr; 100% Cashless disbursements;  
Expanded into Rajasthan

2019

# Product Snapshot



## ARMA FINANCIAL SERVICES LTD.

- 27 years of existence
- Active customer base of 3.66 lakh
- Employee strength of 1,526 employees
- Completely in-house operations – Sourcing, Credit & Collections

### Microfinance



### MSME Loans



### 2-Wheeler Loans



### Rural 2W Loans



% of Total AUM	71%	14%	14%	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 50-150k	INR 30-55k	INR 40-50k
Average Ticket size	INR 26,000	INR 55,000	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)	28-30%	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



## KEY STRATEGIC DIFFERENTIATORS

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

**Conservative operations framework with focus on risk & asset quality**

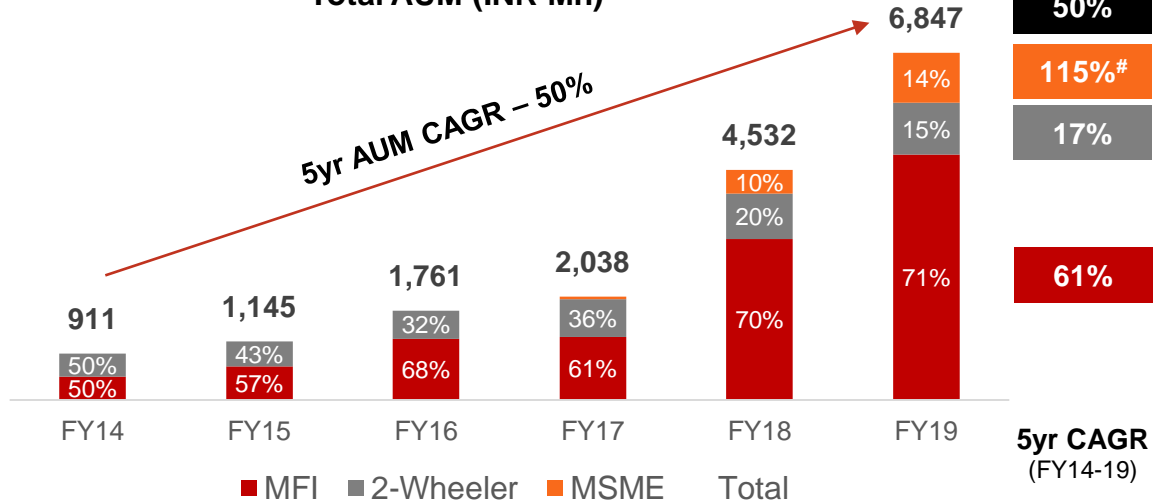
**Completely in-house operations with bottoms up driven credit appraisal models and rigorous collections practices – tailored for the areas of operations**

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

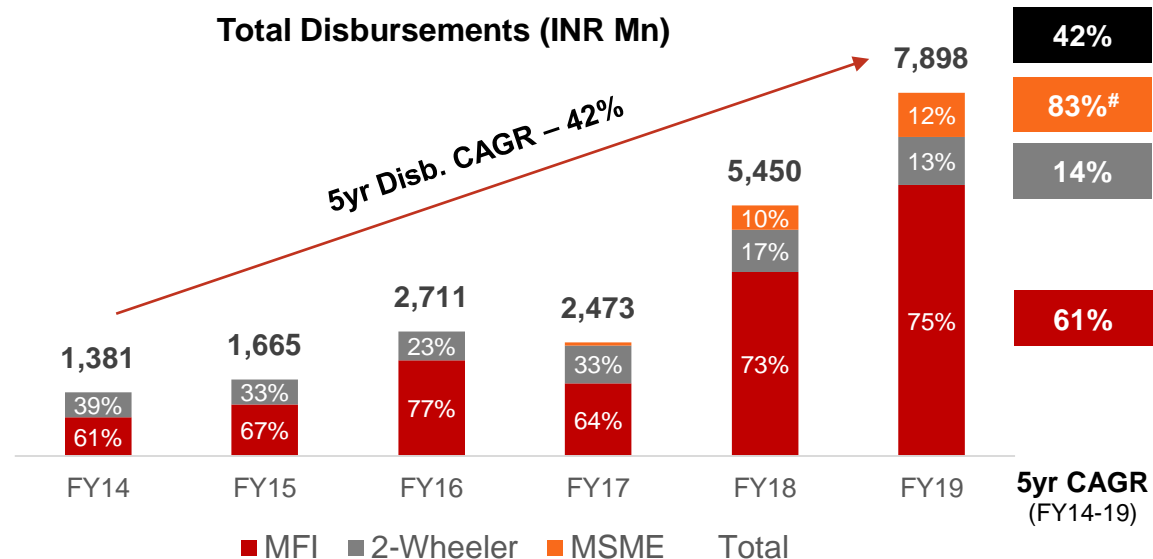
# Strong Growth in AUM & Disbursements....



Total AUM (INR Mn)



Total Disbursements (INR Mn)



- Diversified portfolio of 7,255 Mn in Q1 FY20 split between –
  - Microfinance: INR 5,137 Mn (71%),
  - 2-Wheeler Loans: INR 988 Mn (14%)
  - MSME Loans: INR 1,100 Mn (15%)
- Strategically forayed into MSME Loans in 2017.** Successfully scaled up the business to INR 992 Mn (14% 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

# - MSME started in FY17; MSME CAGR is 1yr CAGR (FY18-19)

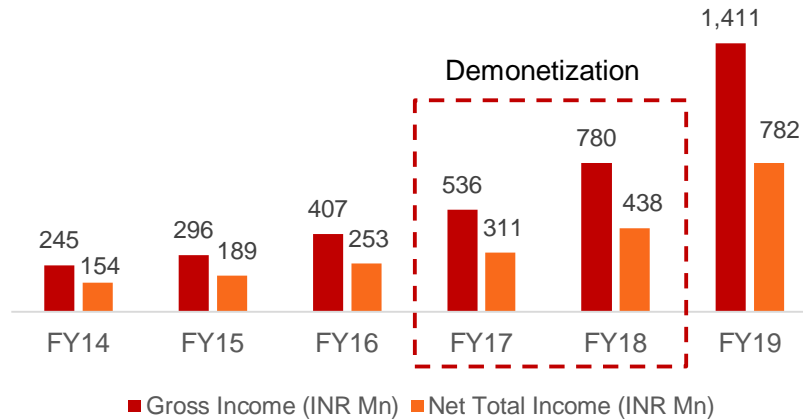
# .....While Maintaining Superior Cost Efficiency & Asset Quality



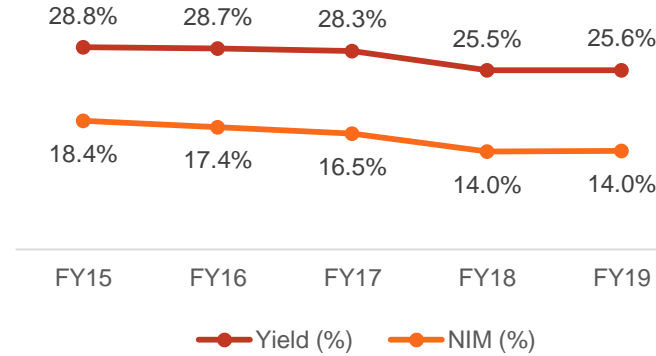
## Gross Income and Net Total Income (INR Mn)

CAGR: 42%

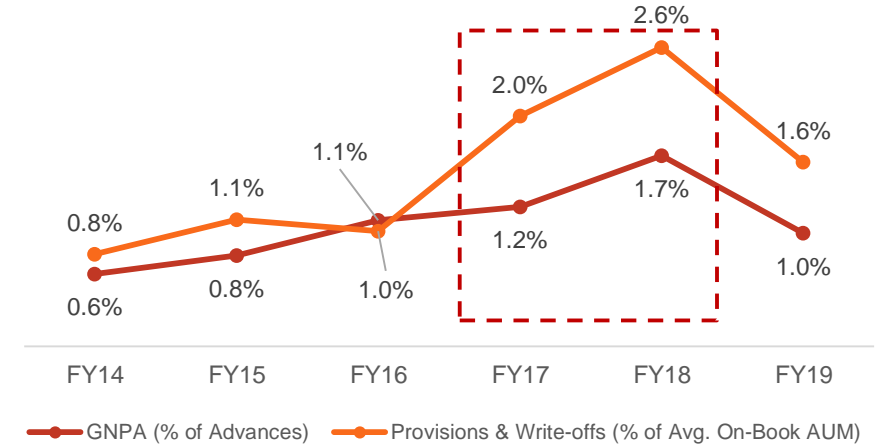
CAGR: 38%



## Yield % and NIM %

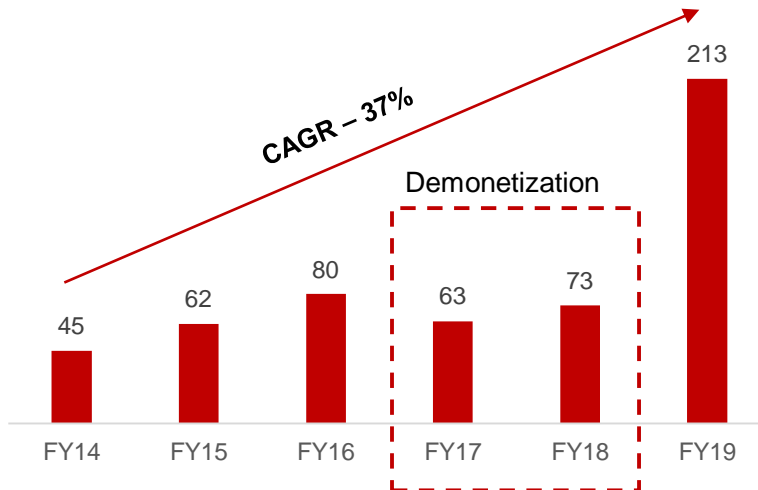


## Focus on risk have led to immaculate through-cycle asset quality

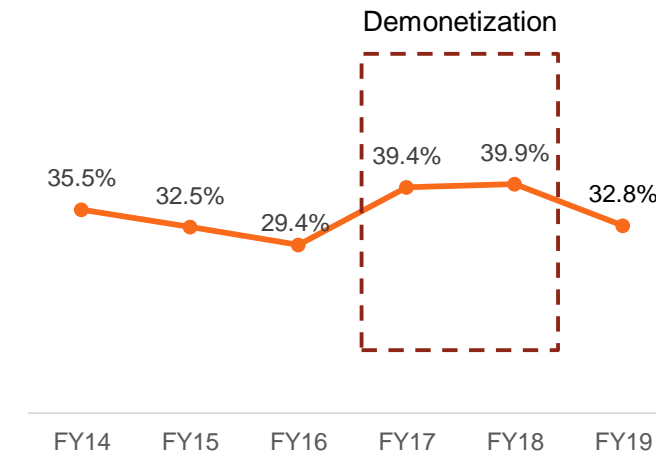


## PAT (INR Mn)

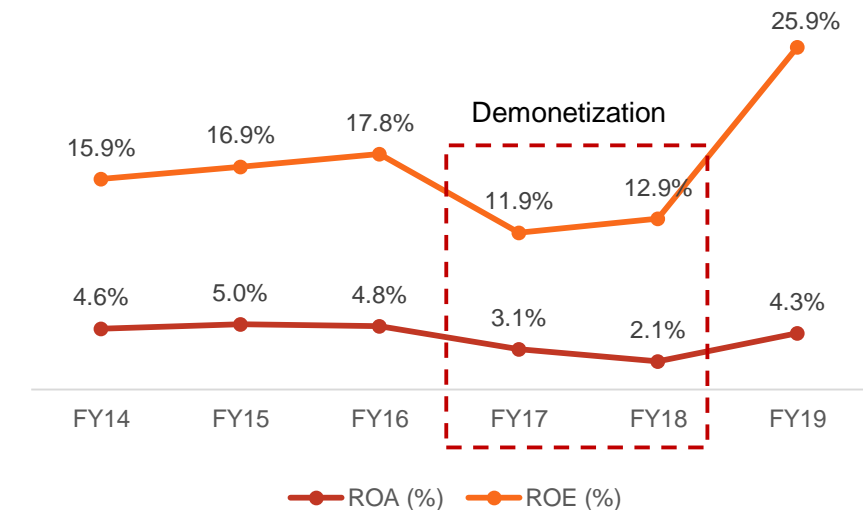
CAGR – 37%



## Cost to Income Ratio %



## Consistently high through cycle ROA / ROE



Note: NIM = NII / Average AUM (On + Off-Book); Yields = Gross Income / Average AUM

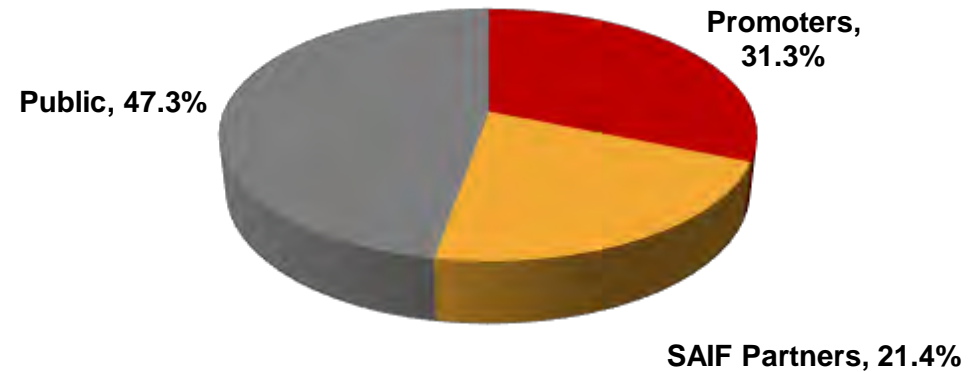


# Shareholding Pattern



SHAREHOLDING - 30<sup>TH</sup> JUNE 2019

**\* Fully Diluted (Post Conversion of CCD's)**



Source – Company

- **\*SAIF Partners** invested **INR 500 Mn** in CCDs in April 2018 which will convert in October 2019. Post conversion of CCD's, SAIF Partners stake in the company would be 21.4%
- *On a fully diluted basis, the Net Worth of Arman is INR 1,400 Mn*
- Mr. Mridul Arora, MD at SAIF Partners is a Nominee Director on the Arman Board



**Arman Financial Services Ltd.**



MSME LOANS



MICROFINANCE



TWO WHEELER LOANS

## Product Overview



## 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; 138 MFI branches; 2.73 lakh live customers**
- Arman MFI operating model –
  - **High touch collections model** - 85% Bi-weekly, 15% Monthly Collections 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

## FY19 – Key Metrics (Mn)

<b>4,840</b>	<b>5,896</b>	
AUM (INR Mn)	Disbursement (INR Mn)	
<b>948</b>	<b>150</b>	<b>26,000</b>
Total Income (INR Mn)	PAT (INR Mn)	Avg. Ticket Size(INR)

## FY19 – Key Metrics (%)

<b>24.6%</b>	<b>13.2%</b>	<b>3.5%</b>
Yield	NIM	ROA
<b>0.5%</b>	<b>0.5%</b>	<b>25.1%</b>
GNPA	NNPA	ROE

# 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**

### FY19 – Key Metrics (Mn)

**1,017**

AUM (INR Mn)

**1,041**

Disbursement (INR Mn)

**233**

Total Income (INR Mn)

**42,000**

Avg. Ticket Size (INR)

### FY19 – Key Metrics (%)

**24.3%**

Yield

**12.2%**

NIM

**4.0%**

GNPA

**3.7%**

NNPA

# Product Overview: MSME Loans



## Product Overview

- Individual enterprise / working capital loans for small rural businesses in low competition areas
- Currently operates across 2 states – Gujarat (86%) & MP (14%); 25 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

### FY19 – Key Metrics (%)

<b>992</b>	<b>962</b>
AUM (INR Mn)	Disbursement (INR Mn)
<b>236</b>	<b>55,000</b>
Total Income (INR Mn)	Avg. Ticket Size (INR)

### FY19 – Key Metrics (%)

<b>32.5%</b>	<b>20.0%</b>
Yield	NIM
<b>0.03%</b>	<b>0.03%</b>
GNPA	NNPA

## 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

#### 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

### Collections



# Thank You



**Arman Financial Services Ltd.**

**Vivek Modi**

Group – CFO

Arman Financial Services Ltd

Tel : + 91 79 4050 7000 (Extn. 210)

Email : vivek@armanindia.com

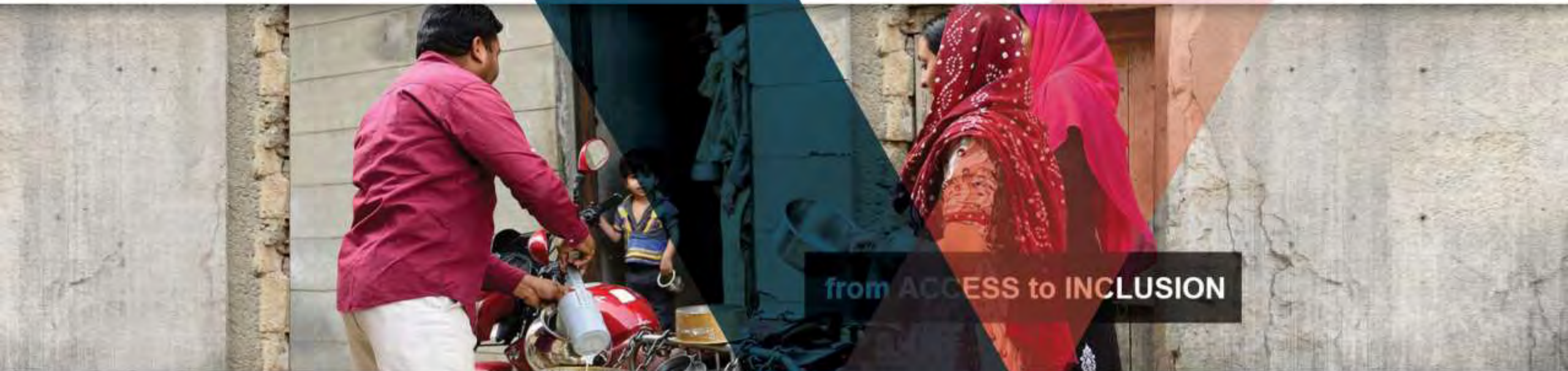
**DICKENSON**

**Mandar Kapse / Chintan Mehta**

Dickenson World

Tel : + 91 9867550004 / +91 9892183389

Email : armanfinancial@dickensonworld.com



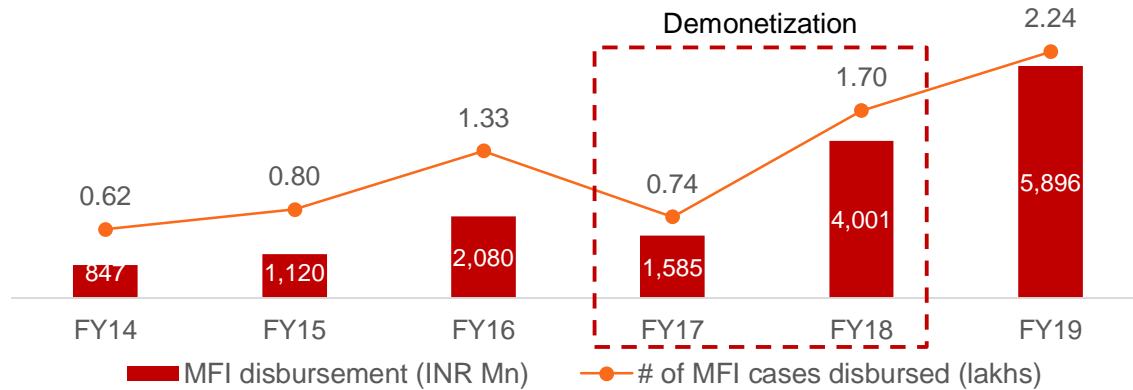
from ACCESS to INCLUSION

## Annexures

# Microfinance: 5-Year Performance



## Disbursement growth is driven by customer & branch addition

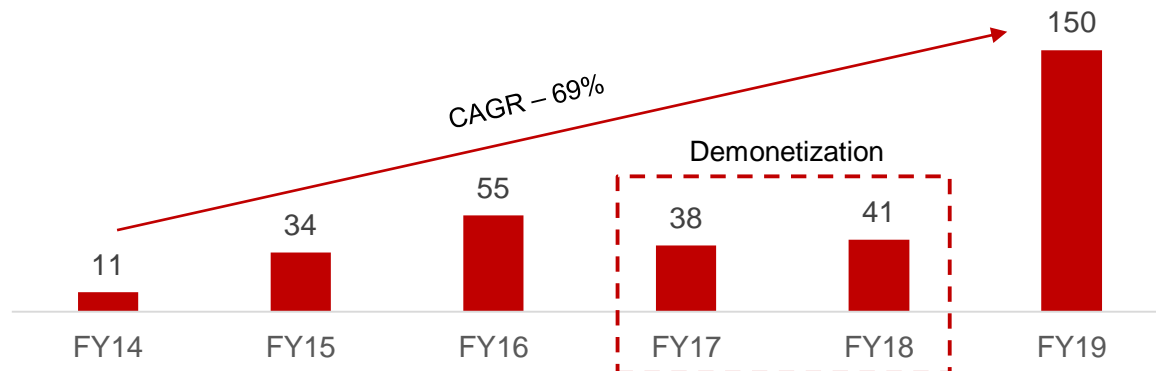


	FY14	FY15	FY16	FY17	FY18	FY19
MFI Branches	29	39	55	80	107	138
Avg. Ticket size (INR)	13,600	13,937	15,583	21,477	23,517	26,358

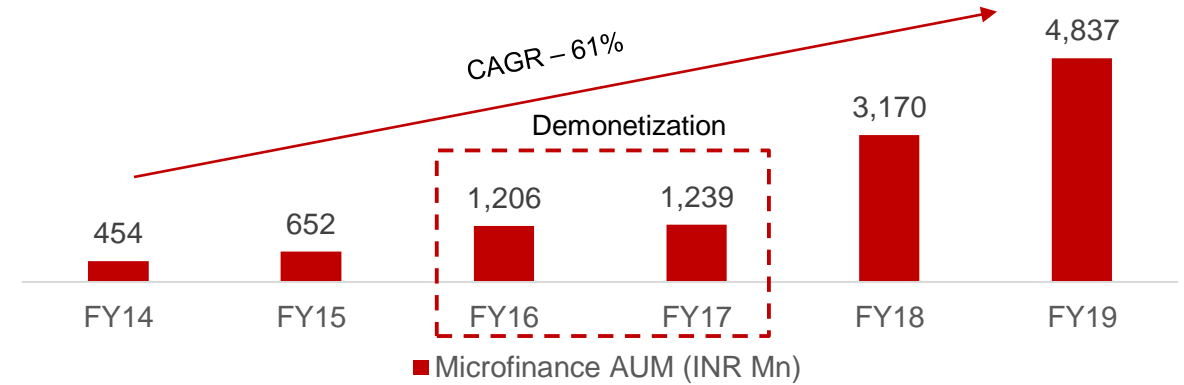
  

	Disbursement	Customers	Ticket size
FY14-19 CAGR (%)	47%	32%	15%

## PAT (INR Mn)



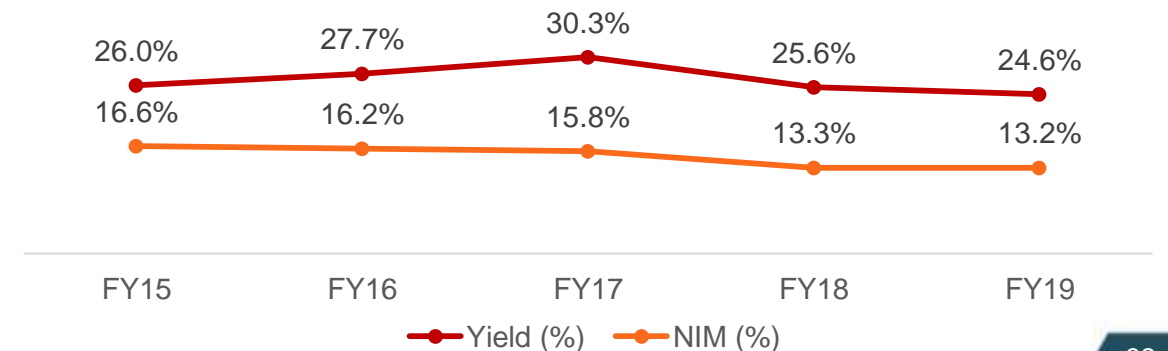
## AUM growth exceeds MFI industry growth rates



	5yr AUM CAGR (%)	FY19 AUM growth (%)
MFI Industry	33%	32%
Namra (MFI Operations)	61%	51%

\*MFI Industry = NBFC-MFIs + SFBs only. Source - MFIN Micrometer Q4FY19

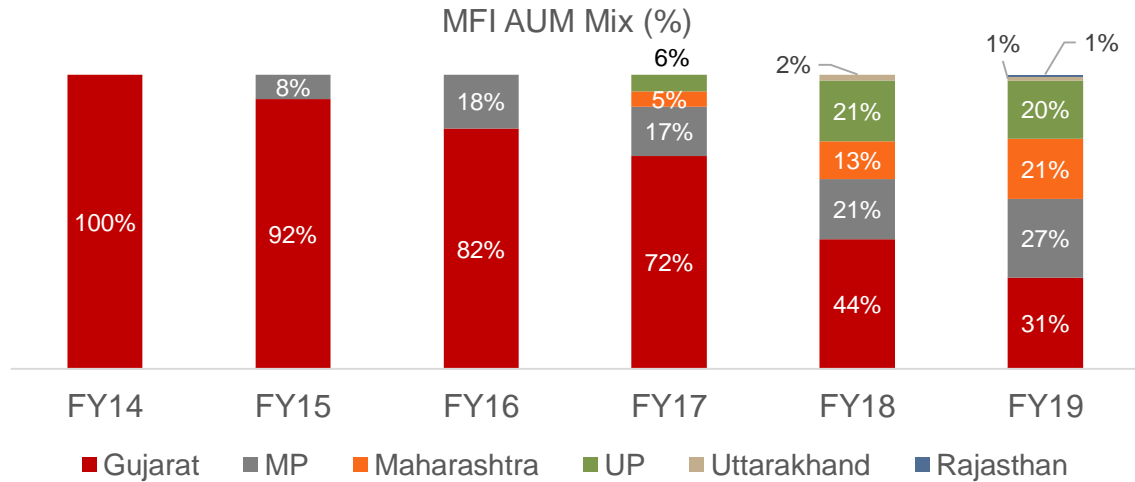
## Yields (%) & NIM (%) Trend



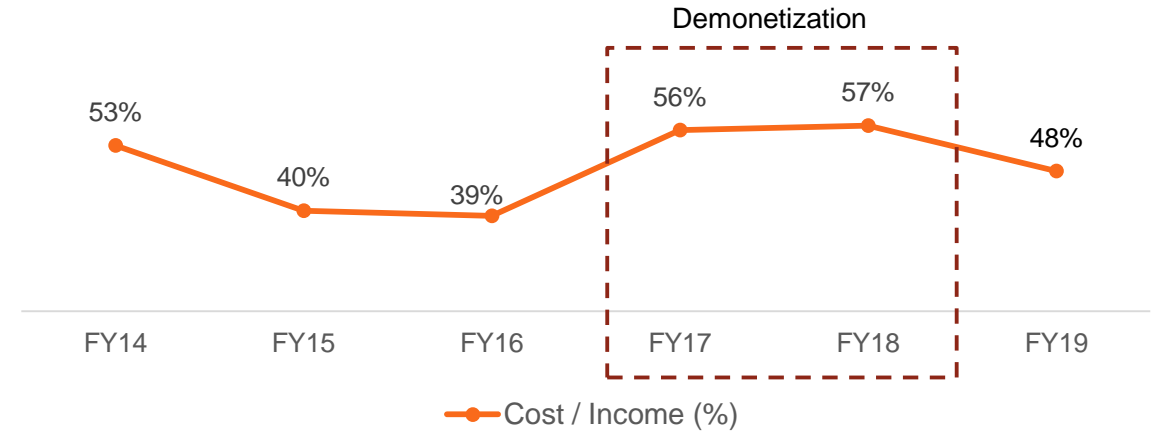
# Microfinance: 5-Year Performance



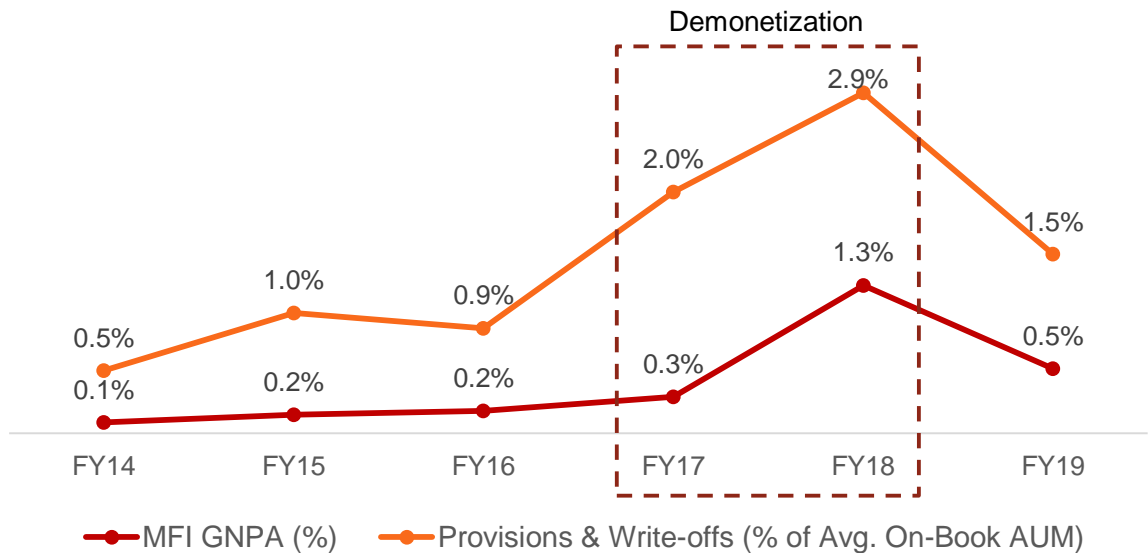
## Well diversified across geographies



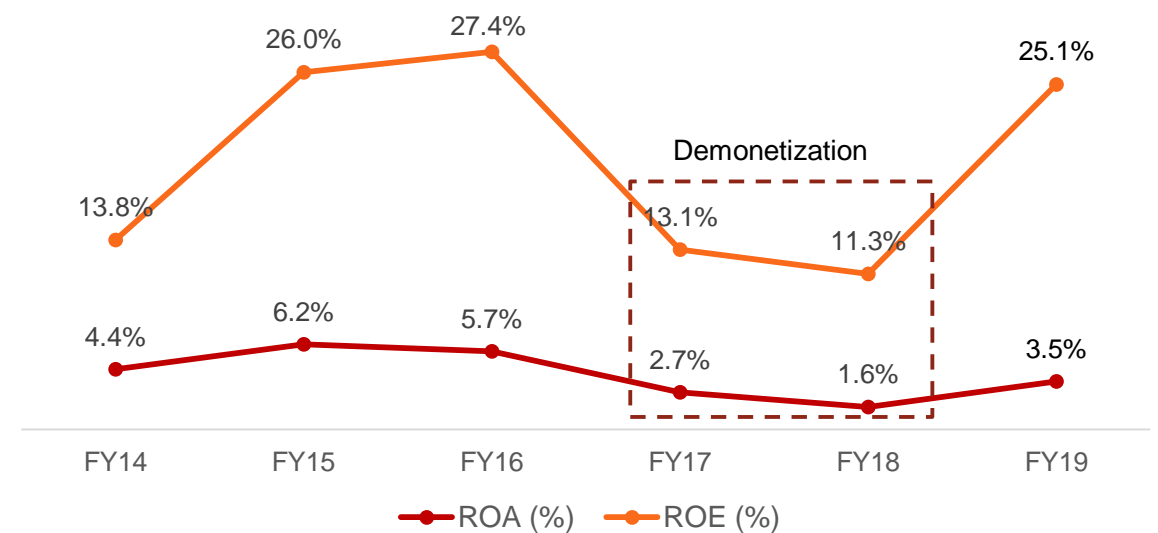
## Maintaining high operational efficiency



## Through cycle asset quality under control



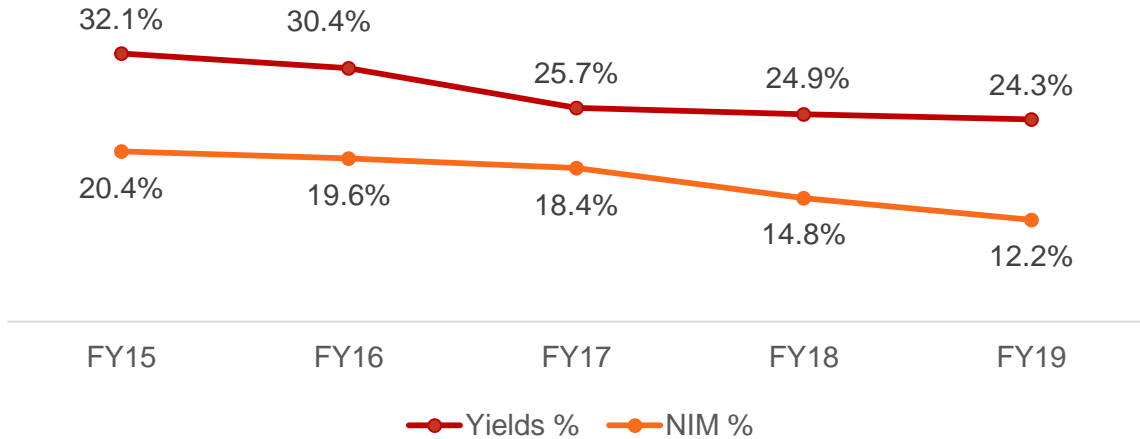
## Sustaining strong ROA (%) & ROE (%)



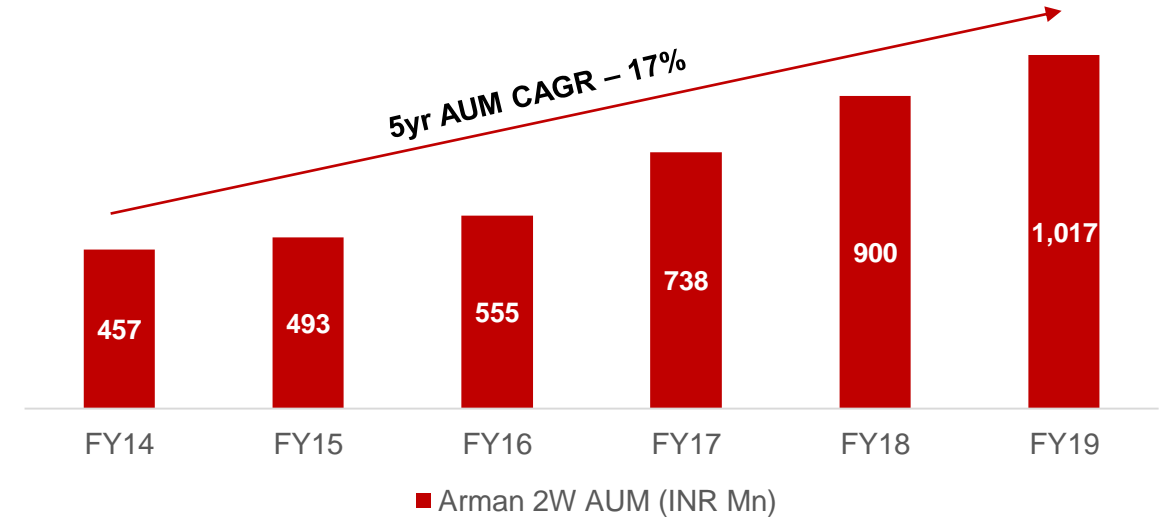
# 2W Loans: 5-Year Performance



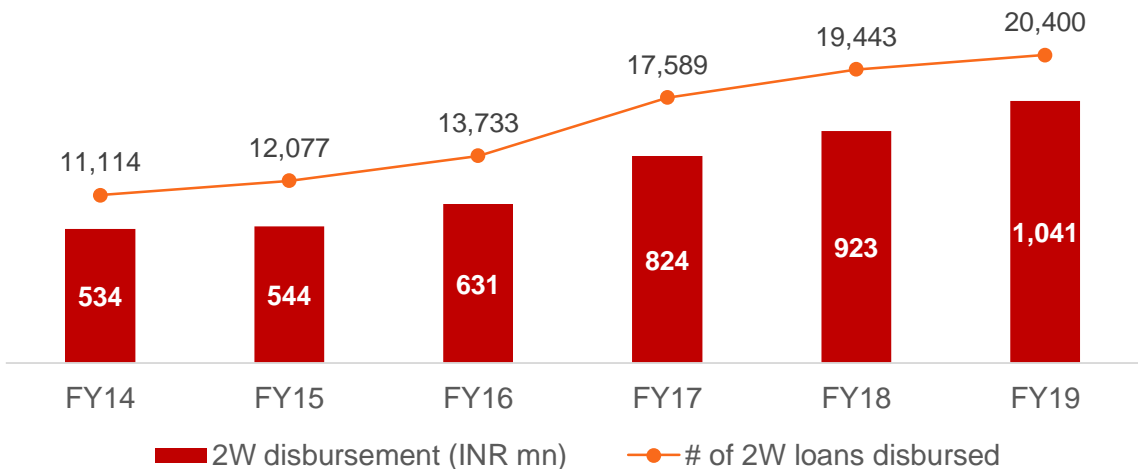
## Yields (%) & NIM (%) Trend



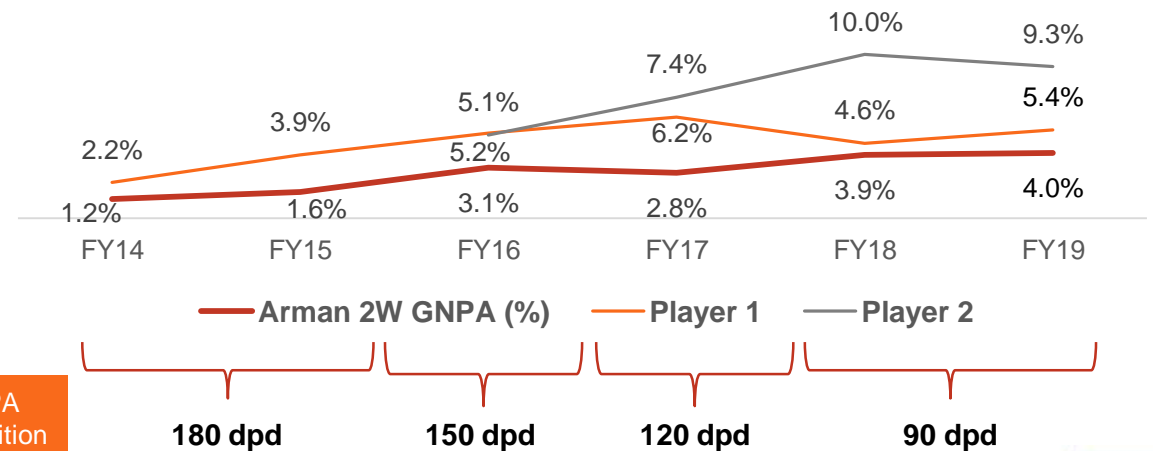
## Arman 2W AUM/ has seen steady growth over FY14-19



## 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

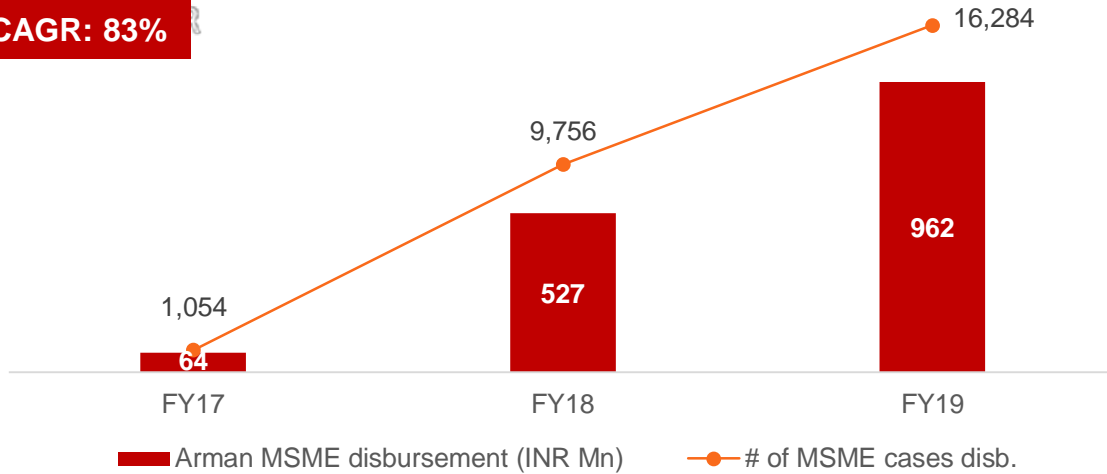


# MSME Loans: 3-Year Performance



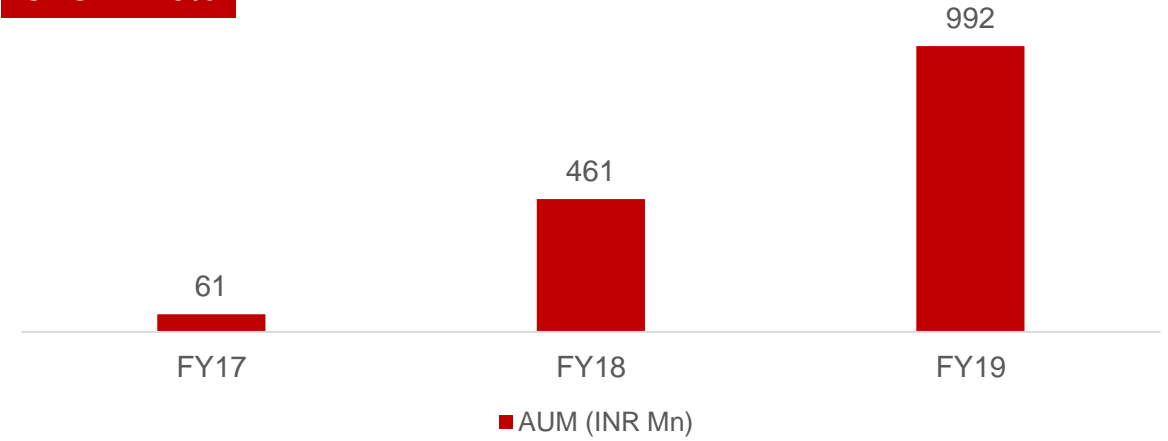
## Disbursement Growth

CAGR: 83%

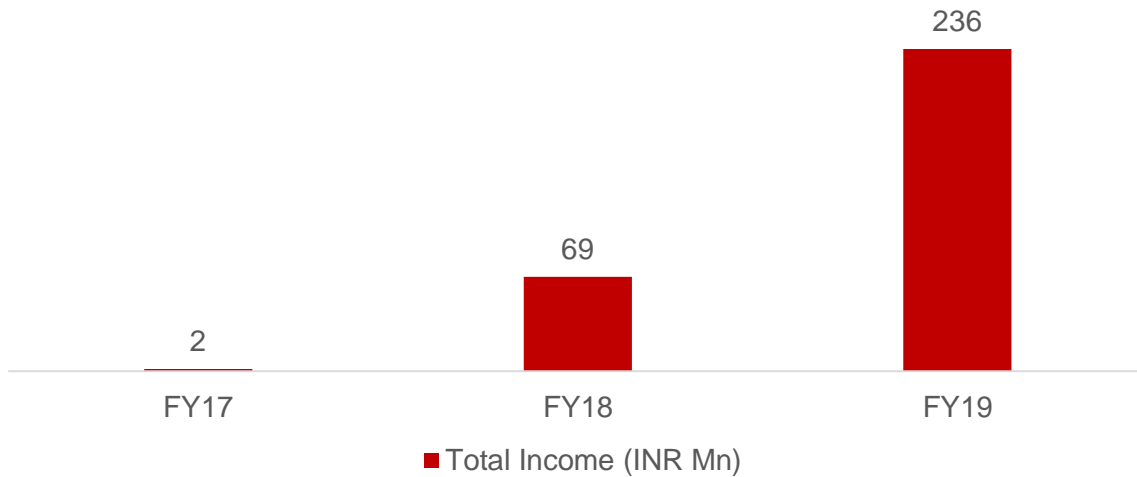


## AUM Growth

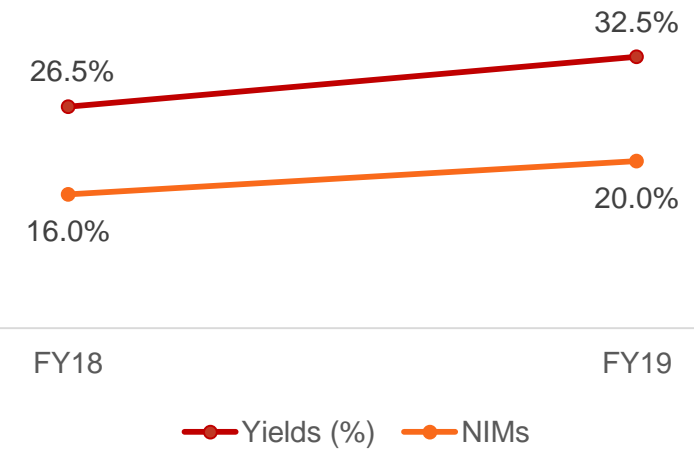
CAGR: 115%



## Total Income Growth



## Yields (%) & NIM (%) Trend



# P&L Statement - Consolidated



Particulars (INR Mn)	FY15	FY16	FY17	FY18	FY19	YoY (%)
<b>Revenue from Operations</b>	<b>296</b>	<b>407</b>	<b>536</b>	<b>780</b>	<b>1,405</b>	<b>80%</b>
Interest income	284	381	497	713	1,313	84%
Other interest income	0	8	22	9	16	78%
Income From Securitization	0	0	0	0	6	
Interest income from Managed Assets	0	0	0	17	7	-59%
Processing fees	11	18	16	40	59	48%
Other charges in respect of loans	1	0	1	1	4	300%
Other Income	0	0	0	0	6	
<b>Total Revenue</b>	<b>296</b>	<b>407</b>	<b>536</b>	<b>780</b>	<b>1,411</b>	<b>81%</b>
Finance Costs	107	154	225	343	628	83%
<b>Net Total Income</b>	<b>189</b>	<b>253</b>	<b>311</b>	<b>437</b>	<b>783</b>	<b>79%</b>
Employee Benefits Expenses	52	63	102	164	264	61%
Depreciation and Amortisation expense	2	2	3	4	5	25%
Other Expenses	31	53	73	102	130	27%
<b>Pre-Provision Operating Profit</b>	<b>104</b>	<b>135</b>	<b>133</b>	<b>167</b>	<b>384</b>	<b>130%</b>
Provision & Write-offs	11	14	34	76	84	11%
<b>Profit before Tax</b>	<b>93</b>	<b>121</b>	<b>99</b>	<b>98</b>	<b>307</b>	<b>213%</b>
Less : Tax expense:	31	41	35	25	93	272%
<b>Profit for the year</b>	<b>62</b>	<b>80</b>	<b>63</b>	<b>73</b>	<b>213</b>	<b>192%</b>
Basic Earnings Per Share of Rs. 10 each	8.89	11.55	8	10.2	30.7	201%
Diluted Earnings Per share of Rs. 10 each	8.89	11.55	8	10.1	28.1	178%

# - MSME started in FY17; MSME CAGR is 1yr CAGR (FY18-19)

# Balance Sheet - Consolidated



Equity & Liabilities	FY15	FY16	FY17	FY18	FY19
Share Capital	69	119	119	69	70
Reserves & Surplus	323	385	441	500	723
<b>Shareholder's Funds</b>	<b>392</b>	<b>505</b>	<b>560</b>	<b>569</b>	<b>792</b>
Long Term Borrowings	223	458	482	2,221	2,534
Long Term Provisions	2	3	3	7	16
<b>Non-Current Liabilities</b>	<b>225</b>	<b>461</b>	<b>484</b>	<b>2,228</b>	<b>2,550</b>
Short-Term Borrowings	416	334	423	498	902
Other Current Liabilities	26	30	41	73	213
Current maturity of long-term borrowings	287	588	615	1,236	2,449
Short Term Provisions	25	35	30	42	80
<b>Current Liabilities</b>	<b>754</b>	<b>987</b>	<b>1,109</b>	<b>1,848</b>	<b>3,644</b>
<b>Total Liabilities</b>	<b>979</b>	<b>1,448</b>	<b>1,593</b>	<b>4,076</b>	<b>6,194</b>
<b>Total Equity + Liabilities</b>	<b>1,372</b>	<b>1,953</b>	<b>2,153</b>	<b>4,645</b>	<b>6,986</b>
Assets	FY15	FY16	FY17	FY18	FY19
Property, Plant & Equipment	16	18	23	26	33
Intangible Assets	0	2	2	2	3
Long Term Investments	0	14	24	27	27
Deferred Tax Assets (Net)	2	4	4	11	18
Long-term Loans and Advances	141	263	269	772	1,547
Other Non-Current Assets	24	68	62	105	179
<b>Non-Current Assets</b>	<b>183</b>	<b>367</b>	<b>384</b>	<b>943</b>	<b>1,806</b>
Trade Receivables	12	20	55	74	64
Cash & Bank Balances	168	107	214	189	506
Short term Loans and Advances	1,009	1,459	1,499	3,436	4,606
Other Current Assets	0	0	0	3	4
<b>Current Assets</b>	<b>1,189</b>	<b>1,585</b>	<b>1,769</b>	<b>3,702</b>	<b>5,180</b>
<b>Total Assets</b>	<b>1,372</b>	<b>1,953</b>	<b>2,153</b>	<b>4,645</b>	<b>6,986</b>

# P&L Statement - Standalone



Particulars (INR Mn)	FY15	FY16	FY17	FY18	FY19	YoY (%)
<b>Revenue from Operations</b>	<b>152</b>	<b>159</b>	<b>166</b>	<b>273</b>	<b>469</b>	<b>72%</b>
Interest income	152	159	165	272	463	70%
Income From Securitization	0	0	0	0	2	
Other charges in respect of loans	1	0	1	1	4	300%
<b>Other Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	
<b>Total Revenue</b>	<b>153</b>	<b>159</b>	<b>166</b>	<b>273</b>	<b>469</b>	<b>72%</b>
Finance Costs	56	57	48	109	203	86%
<b>Net Total Income</b>	<b>97</b>	<b>102</b>	<b>118</b>	<b>164</b>	<b>266</b>	<b>62%</b>
Employee Benefits Expenses	26	26	37	63	98	56%
Depreciation and Amortisation expense	2	1	1	1	1	0%
Other Expenses	21	31	32	29	36	24%
<b>Pre-Provision Operating Profit</b>	<b>48</b>	<b>44</b>	<b>48</b>	<b>71</b>	<b>131</b>	<b>85%</b>
Provision & Write-offs	6	6	10	13	27	108%
<b>Profit before Tax</b>	<b>42</b>	<b>37</b>	<b>38</b>	<b>45</b>	<b>94</b>	<b>109%</b>
Less : Tax expense:	14	12	13	13	31	138%
<b>Profit for the year</b>	<b>28</b>	<b>25</b>	<b>25</b>	<b>32</b>	<b>64</b>	<b>100%</b>
Basic Earnings Per Share of Rs. 10 each	4	3.6	3.6	4.6	9.2	100%
Diluted Earnings Per share of Rs. 10 each	4	3.6	3.6	4.6	9.1	98%

# Balance Sheet - Standalone



Equity & Liabilities	FY15	FY16	FY17	FY18	FY19
Share Capital	69	69	69	69	70
Reserves & Surplus	274	287	313	333	406
<b>Shareholder's Funds</b>	<b>343</b>	<b>357</b>	<b>382</b>	<b>402</b>	<b>476</b>
Long Term Borrowings	74	16	0	283	676
Long Term Provisions	1	1	1	3	6
<b>Non-Current Liabilities</b>	<b>75</b>	<b>17</b>	<b>1</b>	<b>286</b>	<b>682</b>
Short-Term Borrowings	317	306	352	496	855
Other Current Liabilities	8	9	29	35	104
Current maturity of long-term borrowings	92	59	114	234	410
Short Term Provisions	12	15	4	7	8
<b>Current Liabilities</b>	<b>429</b>	<b>388</b>	<b>500</b>	<b>772</b>	<b>1,377</b>
<b>Total Liabilities</b>	<b>505</b>	<b>406</b>	<b>501</b>	<b>1,058</b>	<b>2,060</b>
<b>Total Equity + Liabilities</b>	<b>848</b>	<b>762</b>	<b>883</b>	<b>1,460</b>	<b>2,535</b>
Assets	FY15	FY16	FY17	FY18	FY19
Property, Plant & Equipment	15	16	14	14	8
Intangible Assets	0	1	1	0.4	0.2
Long Term Investments	100	104	154	224	482
Deferred Tax Assets (Net)	0	0	0	2	3
Long-term Loans and Advances	140	130	176	445	774
Other Non-Current Assets	10	13	28	34	5
<b>Non-Current Assets</b>	<b>265</b>	<b>264</b>	<b>373</b>	<b>719</b>	<b>1,272</b>
Trade Receivables	11	16	21	32	31
Cash & Bank Balances	121	24	5	34	115
Short term Loans and Advances	451	458	484	673	1,115
Other Current Assets	0	0	0	2	2
<b>Current Assets</b>	<b>583</b>	<b>498</b>	<b>510</b>	<b>741</b>	<b>1,263</b>
<b>Total Assets</b>	<b>848</b>	<b>762</b>	<b>883</b>	<b>1,460</b>	<b>2,535</b>

# P&L Statement - Namra (NBFC-MFI Subsidiary)



Particulars (INR Mn)	FY15	FY16	FY17	FY18	FY19	YoY (%)
<b>Revenue from Operations</b>	<b>144</b>	<b>257</b>	<b>370</b>	<b>527</b>	<b>948</b>	<b>80%</b>
Interest income	132	203	329	441	850	93%
Other interest income	0	4	15	21	14	-33%
Income From Securitization	0	0	0	0	4	
Interest income from Managed Assets	0	28	3	17	7	-59%
Processing fees	11	18	16	40	59	48%
Other charges in respect of loans	0	4	7	8	14	75%
Other Income	0	0	0	0	5	
<b>Total Revenue</b>	<b>144</b>	<b>257</b>	<b>370</b>	<b>527</b>	<b>953</b>	<b>81%</b>
Finance Costs	52	107	177	254	437	72%
<b>Net Total Income</b>	<b>92</b>	<b>150</b>	<b>193</b>	<b>273</b>	<b>516</b>	<b>89%</b>
Employee Benefits Expenses	27	36	65	101	166	64%
Depreciation and Amortisation expense	0	0	2	3	4	33%
Other Expenses	10	22	41	54	77	43%
<b>Pre-Provision Operating Profit</b>	<b>50</b>	<b>84</b>	<b>61</b>	<b>115</b>	<b>269</b>	<b>310%</b>
Provision & Write-offs	5	8	24	63	56	-11%
<b>Profit before Tax</b>	<b>50</b>	<b>84</b>	<b>61</b>	<b>53</b>	<b>212</b>	<b>300%</b>
Less : Tax expense:	17	29	23	12	63	425%
<b>Profit for the year</b>	<b>34</b>	<b>55</b>	<b>38</b>	<b>41</b>	<b>150</b>	<b>266%</b>
Basic Earnings Per Share of Rs. 10 each	3.4	5.5	2.6	2.9	7	141%
Diluted Earnings Per share of Rs. 10 each	3.4	5.5	2.6	2.9	7	141%

# Balance Sheet - Namra (NBFC-MFI Subsidiary)



Equity & Liabilities	FY15	FY16	FY17	FY18	FY19
Share Capital	100	154	174	152	242
Reserves & Surplus	49	98	159	239	557
<b>Shareholder's Funds</b>	<b>149</b>	<b>252</b>	<b>333</b>	<b>391</b>	<b>799</b>
Long Term Borrowings	149	441	482	1,938	1,858
Long Term Provisions	0	2	1	4	10
<b>Non-Current Liabilities</b>	<b>150</b>	<b>443</b>	<b>483</b>	<b>1,942</b>	<b>1,868</b>
Short-Term Borrowings	99	28	70	59	48
Other Current Liabilities	24	24	26	38	119
Current maturity of long term borrowings	201	530	598	1,002	2,039
Short Term Provisions	13	23	24	46	76
<b>Current Liabilities</b>	<b>339</b>	<b>605</b>	<b>719</b>	<b>1,145</b>	<b>2,282</b>
<b>Total Liabilities</b>	<b>488</b>	<b>1,048</b>	<b>1,202</b>	<b>3,086</b>	<b>4,149</b>
<b>Total Equity + Liabilities</b>	<b>637</b>	<b>1,301</b>	<b>1,534</b>	<b>3,478</b>	<b>4,948</b>
Assets	FY15	FY16	FY17	FY18	FY19
Property, Plant & Equipment	1	2	9	12	25
Intangible Assets	0	1	1	2	2
Long Term Investments	0	14	24	27	27
Deferred Tax Assets (Net)	2	3	4	9	14
Long-term Loans and Advances	1	136	92	337	779
Other Non-Current Assets	14	55	34	71	174
<b>Non-Current Assets</b>	<b>18</b>	<b>211</b>	<b>164</b>	<b>459</b>	<b>1,021</b>
Trade Receivables	1	3	34	43	32
Cash & Bank Balances	47	83	209	154	391
Short term Loans and Advances	571	1,004	1,126	2,821	3,501
Other Current Assets	0	0	0	1	2
<b>Current Assets</b>	<b>619</b>	<b>1,090</b>	<b>1,370</b>	<b>3,019</b>	<b>3,927</b>
<b>Total Assets</b>	<b>637</b>	<b>1,301</b>	<b>1,534</b>	<b>3,478</b>	<b>4,948</b>