



Arman Financial Services Limited

BUSINESS RESPONSIBILITY REPORT FOR THE FY 2021-22

(In pursuant to Regulation 34(2)(f) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | | |
|----|--|--|-------------------------------------|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L55910GJ1992PLC018623 | |
| 2. | Name of the Company | Arman Financial Services Limited | |
| 3. | Registered address | 502-503 Sakar-III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014 | |
| 4. | E-mail | finance@armanindia.com | |
| 5. | Website | www.armanindia.com | |
| 6. | Financial year for which reporting is being done | 2021-22 | |
| 7. | Sector(s) that the Company is engaged in | Description of the main products/ services | NIC code for the product or service |
| | | Other financial service activities, except Insurance and pension funding activities, n.e.c | 64990 |

8. List three key products/services that the Company manufactures/provides

| Sr. No. | Product/Service | NIC Code | % of total Turnover Contributed |
|---------|------------------|----------|---------------------------------|
| 1. | Two-wheeler Loan | 64990 | 22% |
| 2. | MSME Loan | | 78% |

9. Total number of locations where business activity is undertaken by the Company:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | N.A. | 55 | 55 |
| International | N.A. | N.A. | N.A. |

10. Markets served by the Company:

| Location | Number of offices |
|----------------------------------|-------------------|
| National (No. of States) | 4 |
| International (No. of Countries) | N.A. |



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SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS ON MARCH 31, 2022)

1. Paid up Capital (Rs. in Lakh): 849.16
2. Total Turnover (Rs. in Lakh): 6,241.36
3. Total profit after taxes (Rs. in Lakh): 1,623.44
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is Rs. 23.85 lakhs approx. 2% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:
 - i. Health
 - ii. Education

For more details please refer **Annexure – 5** of Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, The Company has 1 Subsidiary i.e. Namra Finance Limited.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:
 - a. Details of the Director/Director responsible for implementation of the BR policy/policies

| Sr. No. | DIN | Name | Designation |
|---------|----------|----------------|-----------------------------------|
| 1. | 00011814 | Jayendra Patel | Vice Chairman & Managing Director |
| 2. | 02482747 | Aalok Patel | Joint Managing Director |



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b. Details of the BR head:

| Sr. No. | Particulars | Details |
|---------|---------------------|--|
| 1. | DIN (if applicable) | -- |
| 2. | Name | Mr. Jaimish Patel |
| 3. | Designation | Company Secretary & Compliance Officer |
| 4. | Telephone number | 079-40507000 |
| 5. | E-mail id | secretarial@armanindia.com |

2. Principle-wise (as per NVGs) BR Policy/policies:

The Business Responsibility Policy (“BR Policy”) addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs).

The 9 principles outlined in the National Voluntary Guidelines are as follows:

| | |
|-----------|--|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| P3 | Businesses should promote the wellbeing of all employees. |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| P5 | Businesses should respect and promote human rights. |
| P6 | Business should respect, protect and make efforts to restore the environment. |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| P8 | Businesses should support inclusive growth and equitable development. |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

a. Details of compliance (Reply in Y/N)

| No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1. | Do you have a policy/ policies for | Y | N | Y | Y | Y | N | N | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | - | Y | Y | Y | - | - | Y | Y |
| 3. | Does the policy conform to any national/ international standards? | Y | - | Y | Y | Y | - | - | Y | Y |
| 4. | Has the policy being approved by the Board? Is yes, has it been signed | Y | - | Y | Y | Y | - | - | Y | Y |



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| | | | | | | | | | | |
|-----|--|--|---|---|---|---|---|---|---|---|
| | by MD/ owner/ CEO/ appropriate Board Director? | | | | | | | | | |
| 5. | Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | - | Y | Y | Y | - | - | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | www.armanindia.com | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | - | Y | Y | Y | - | - | Y | Y |
| 8. | Does the company have in-house structure to implement the policy/policies. | Y | - | Y | Y | Y | - | - | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | - | Y | Y | Y | - | - | Y | Y |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | N | - | N | N | N | - | - | N | N |

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why:

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1. | The company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3. | The company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (for compliance mentioned at point no. 1) | - | * | | - | - | - | * | * | - |
| 7. | Any other reason (for compliance mentioned at point no. 10) | - | ** | | - | - | - | ** | ** | - |



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*Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

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3. Governance related to BR

A. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

- Annually

B. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- The BR Report is available on the website of the Company viz. www.armanindia.com

SECTION E: PRINCIPLE -WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No Complaints were received from any stakeholder during the past financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Not Applicable as the Company provides financial products and services.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):



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- a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable as the Company provides financial products and services.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not Applicable as the Company provides financial products and services.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Materials required for branch purposes are majorly sourced from local vendors, nearby districts and suppliers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

Not Applicable.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees: 565
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 0
3. Please indicate the Number of permanent women employees: 22
4. Please indicate the Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association?
N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:



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| No. | Category | No of complaints filed during the financial year (2021-22) | No of complaints pending as on end of the financial year (2021-22) |
|-----|---|--|--|
| 1. | Child labour /forced labour /involuntary labour | NIL | |
| 2. | Sexual harassment | | |
| 3. | Discriminatory employment | | |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees
 - Permanent Women Employees
 - Casual/Temporary/Contractual Employees
 - Employees with Disabilities

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

No

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Not Applicable

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Not Applicable

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a regular basis. We have implemented policies and committees to handle human rights-related issues effectively. The



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Company has a zero-tolerance for all forms of physical, sexual, psychological, or verbal abuse. The above practices are also followed by the subsidiary Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints were received in the past financial year.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

Not Applicable.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.

Not Applicable.

3. Does the company identify and assess potential environmental risks? Yes/No

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Yes/No. If yes, please give hyperlink for web page etc.

Not Applicable.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Not Applicable.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.



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1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is the member of Gujarat Finance Companies Association (GFCA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company actively participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. The Company has actively advocated for and supported the advancement of inclusive development policies to address the needs of underserved and unserved customers. We have actively engaged in representing and lobbying for policies that promote equal opportunities and inclusive growth for those who have been traditionally marginalized or overlooked.

Principle 8: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, Please refer to Annexure-5 of the Annual report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Programmes are undertaken by external NGO's and Trust setup by the Company.

3. Have you done any impact assessment of your initiative?

No.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Total amount spent towards CSR activities is Rs. 23,85,335.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes the initiatives taken by the Company helps in community development by:- Providing socially marginalized people of livelihood services, and imparting skills leading to employment, health and education facilities and also focuses on livelihood services, child rights, human rights, young girls'



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education, skill development and other community services. Further the initiatives of the Company also help in Community development by:- Providing support to leprosy afflicted, mentally retarded, orphans and poor children.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No.