

No. CARE/ARO/RL/2020-21/1900

Shri Jayendra Patel
Vice Chairman & Managing Director
Arman Financial Services Limited
501-4, Sakar III, Opp. Old High Court,
Off. Ashram Road,
Ahmedabad
Gujarat 380014

October 01, 2020

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY20 (Audited) and Q1FY21 (Unaudited), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	67.54	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	5.00	CARE A2 (A Two)	Reaffirmed
Total Facilities	72.54 (Rs. Seventy-Two Crore and Fifty-Four Lakhs Only)		

2. Refer **Annexure 1** for details of rated facilities.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating has been communicated to you through letter no. CARE/ARO/RL/2020-21/1899.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
6. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

CARE Ratings Ltd.

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9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Garima Pandey
Analyst
garima.pandey@careratings.com



Naresh Murlidhar Golani
Associate Director
naresh.golani@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure 1
Details of Rated Facilities

1. Long Term Facilities

1.A. Term Loans

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Debt Repayment Terms	Remarks
1.	Nabsamruddhi Finance Ltd.	5.00	Repayable in 12 quarterly instalments of Rs.83.33 lakhs each till February 2022	Sanctioned amount Rs.10.00 crore
2.	Federal Bank	0.42	Repayable in 36 equal monthly instalments of Rs.13.89 lakhs each till December 2020	Sanctioned amount Rs.5.00 crore
3.	Proposed	28.32		
	Total	33.74		

Outstanding as on Sept 22, 2020

1.B. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)
1.	State Bank of India	27.00
2.	Bank of Baroda	5.00
3.	IDBI Bank Ltd.	1.80
	Total	33.80

Total Long Term Facilities : Rs.67.54 crore

2. Short Term Facilities

2.A. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)
1.	Proposed	5.00
	Total	5.00

Total Short Term Facilities : Rs.5.00 crore

Total Facilities (1.A+1.B+2.A) : Rs.72.54 crore

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