



Arman Financial Services Limited

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Date: November 13, 2025

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: DISSEMINATION OF PRESS NOTE TO SHAREHOLDERS

In further Communication with our letter dated November 13, 2025, we are enclosing Press Release on Unaudited Financial Results for the Quarter / Half Year ended September 30, 2025.

Kindly take it on your record.

Thanking you,

Yours faithfully,

For, Arman Financial Services Limited

Uttambhai
Narayanbhai
Patel

Digitally signed by
Uttambhai Narayanbhai
Patel
Date: 2025.11.13
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Uttam Patel
Company Secretary



Arman Financial Services Limited

Ahmedabad, Gujarat, November 13, 2025:

Arman Financial Services Limited (NSE: ARMANFIN, BSE: 531179), a Gujarat-Based Non-Banking Financial Company (NBFC), with interests in microfinance, micro-enterprise (MSME) loans, two-wheelers loans and Loan Against Property (LAP) announced its unaudited financial results for the quarter and half year ended 30th September 2025. The financial numbers are based on Ind-AS.

Consolidated Business Performance:

Particulars (INR Crore)	Q2FY26	Q2FY25	Y-o-Y	H1FY26	H1FY25	Y-o-Y
Assets Under Management (AUM)	2,130.4	2,464.7	-14%	2,130.4	2,464.7	-14%
Gross Total Income	159.2	181.5	-12%	310.2	365.9	-15%
Pre-Provisioning Operating Profit	56.2	77.6	-28%	111.6	162.5	-31%
Profit After Tax	8.0	15.3	-48%	(6.6)	46.6	-

- Company's consolidated Asset Under Management (AUM) stood at ~INR 2130.4 Crore
- Consolidated disbursements for H1FY26 stood at ~INR 865 Crore, as compared to ~INR 832 Crore, marginally up by 4% year-on-year only, due to the industry challenges in the microfinance sector.
 - Disbursements for Q2FY26 stood at ~INR 475 Crore, a growth of 27% on year-on-year basis, marking a reversal of trend after 3-4 quarters.
 - During the period ended 30th September 2025, the company has continued the focus on collections and portfolio quality along with disbursement growth, as the credit off-take in the microfinance sector improved.
- Net total income for H1FY26 amounted to ~INR 208.4 Crore, down by 11% year-on-year.
- Pre-Provision Operating Profit (PPoP) for H1FY26 is down by 31% year-on-year to ~INR 111.6 Crore. PPoP for Q2FY26 stood at ~INR 56.2 Crore.
- Shareholders' Equity as of September 30, 2025, stood at ~INR 872.0 Crore

Shareholders' Funds	As on 30 th September 2025		As on 31 st March 2025	
	Amount (INR Crore)	No of shares	Amount (INR Crore)	No of shares*
Shareholders fund (*On fully diluted basis)	872.0	1,05,12,921	874.4	1,04,90,538



Borrowing & Liquidity Profile:

- Total borrowings stood at ~INR 1,695 Crore (Including off balance sheet direct assignment (DA) liability)
- Of the total borrowings, 30.2% is through banks, 14.6% is through NBFCs & FIs, 18% is through NCDs, and 28.8% is through direct assignments (off-balance-sheet liabilities). The rest is borrowed from DFIs (i.e., NABARD & SIDBI) and others.
- ALM continues to remain positive, and the company continues to have access to new sources of funds via DA, NCDs and many existing lenders.
- As on 30th September 2025, the Company has healthy Liquidity position with INR 233 Crore in cash/bank balance, liquid investments, and undrawn CC/FDOD limits
- Additionally, the company has INR 160 Crore undrawn sanctions from existing lenders

Collection Efficiency:

- Collection efficiency for the month of September 2025 stood at 95.6%.
- Segment-wise collection efficiency for H1FY26 stood at:
 - Microfinance segment – 95.6%
 - MSME segment – 95.4%
 - 2W segment – 95.8%

Asset Quality:

- GNPA stood at 3.69%; NNPA stood at 0.53%
- Cumulative Provisions stood at INR 87.5 Crore as on 30th September 2025 (covering 4.1% of the consolidated AUM, 5.2% on book)

Two-Wheeler, MSME Segment, Loan Against Property:

Particulars (INR Crore)	Q2FY26	Q2FY25	Y-o-Y	H1FY26	H1FY25	Y-o-Y
Assets Under Management (AUM)	623.2	483.3	29%	623.2	483.3	29%
Gross Total Income	52.1	43.1	21%	102.9	85.6	20%
Pre-Provisioning Operating Profit	20.4	18.9	8%	43.6	40.3	8%
Profit After Tax	8.9	7.9	12%	21.4	20.5	4%

- Assets under Management for the MSME, Two-Wheeler, LAP stood at ~INR 623.2 Crore
 - AUM for MSME - ~INR 473.2 Crore.
 - AUM for Two-Wheeler - ~INR 75.0 Crore.
 - AUM for LAP - ~INR 75 Crore.



- Total Disbursement for the MSME, Two-Wheeler and LAP stood at ~INR 260 Crore in H1FY26.
- Net total income for H1FY26 amounted to ~INR 77.1 Crore, registering a 20% year-on-year growth.
- Pre-Provision Operating Profit (PPoP) for H1FY26 registered an 8% year-on-year growth to ~INR 43.6 Crore.
 - PPoP for Q2FY26 grew by 8% year-on-year to ~INR 20.4 Crore.
- Profit After Tax for H1FY26 stood at ~INR 21.4 Crore, reflecting a year-on-year growth of 4%.
 - PAT for Q2FY26 stood at ~INR 8.9 Crore, a year-on-year growth of 12%.
- GNPA for MSME stood at 3.86%; while NNPA stood at 0.97%.
- GNPA for Two-Wheeler stood at 4.99%; while NNPA stood at 2.10%.
- GNPA for LAP stood at 0.16%; while NNPA stood at 0.07%.
- The company has a strong capital base with a capital adequacy ratio of 38.7% as on 30th September 2025.

Microfinance Segment (Namra)

Particulars (INR Crore)	Q2FY26	Q2FY25	Y-o-Y	H1FY26	H1FY25	Y-o-Y
Assets Under Management (AUM)	1,507.2	1,981.4	-24%	1,507.2	1,981.4	-24%
Gross Total Income	107.5	138.0	-22%	209.3	281.1	-26%
Pre-Provisioning Operating Profit	35.8	57.7	-38%	67.3	121.4	-45%
Profit After Tax	(0.9)	6.4	-	(28.6)	25.4	-

- As of September 30, 2025, Namra's AUM stands at ~INR 1,507.2 Crore
- Disbursements for H1FY26 amounted to ~INR 605.0 Crore
- During H1FY26, Gross Total Income stood at ~INR 209.3 Crore and Net Total Income reached ~INR 132.2 Crore
- In H1FY26 reported loss of ~INR 28.6 Crore.
 - For Q2FY26 reported a loss of ~INR 0.9 Crore
- Total ECL Provisions decreased by 36.2% YoY to INR 58.3 Crore
- The write-off (net of recovery) during the quarter at INR 54.4 Crore as an aggressive write-off and provisioning policy was followed
- Active MFI Customers stood at ~5.2 lakh.
- GNPA stood at 3.77%; NNPA stood at 0.26% as on 30th September 2025.
- As on 30th September 2025; the capital adequacy ratio for Namra stood at 57.8%.



Commenting on the Company's performance, Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services said,

"Q2 and H1 FY26 have been about steady progress and rebuilding momentum for Arman. We are seeing the benefits of disciplined execution, sharper risk controls, and the structural reforms we began last year. This is reflected in a clear improvement across our key operating indicators. While the environment continues to evolve, the trend across AUM, disbursements, asset quality, and collections is firmly positive.

At a consolidated level, we maintained a calibrated approach in our microfinance business while steadily expanding in MSME, 2W and LAP. Consolidated AUM stood at Rs. 2,130 crore as of September 2025, in line with our decision to prioritize portfolio quality over headline growth. Within this, Namra Finance our MFI subsidiary ended September 2025 with an AUM of Rs. 1,507 crore. This is lower year-on-year but is now showing encouraging signs of stabilization. Collection efficiency improved to 95.6% in September, with the zero-bucket strengthening to 99%. Impairment costs have been trending down for three consecutive quarters from Rs. 89 crore in Q4 FY25 to Rs. 38 crore in Q2 FY26, reflecting healthier repayment behavior and stronger early-stage controls. As of September 2025, 67% of the portfolio is covered under CGFMU scheme.

Asset quality is also improving gradually. In microfinance, GNPA stands at 3.77% and NNPA at 0.26%. Our governance reforms, especially the separation of credit underwriting from recovery, are now operational across 195 branches. These changes are already helping create better accountability and more consistent collection performance in the branches where the new structure is in place.

Our standalone businesses have continued to deliver consistent growth. Standalone AUM grew 29% percent year-on-year to Rs. 623 crore as of September 2025, supported by Rs. 140 crore of disbursements during the quarter, a growth of 34% year-on-year. Net Total Income rose 22% to Rs. 38 crore, and PPOP improved to Rs. 20 crore. Asset quality across these portfolios remained stable, with MSME GNPA at 3.86% and 2W GNPA at 4.99%, supported by collection efficiency consistently above 95%. Our LAP portfolio continues to scale well, growing from Rs. 6 crore in Q1 FY25 to Rs. 50 crore at the end of Q2 FY26.

Operationally, we continued to strengthen our presence. We now operate across 11 states with 509 branches and serve more than 6.4 lakh customers. MSME and LAP disbursements maintained healthy momentum, while we intentionally moderated microfinance disbursements to Rs. 335 crore in Q2 FY26 as part of our strategy to stabilize the portfolio. These decisions may have impacted on near-term growth, but they are reinforcing the long-term strength of the business.

As we look at the second half of FY26, we expect improvements to become more visible and broad-based. We anticipate better stability in MFI asset quality, continued reduction in credit costs, and sustained strength in collections. With strong capital buffers of over 38.7% at the standalone level and 57.8% at Namra, supported by Rs. 233 crore of liquidity, we are well positioned to benefit from improving rural sentiment and a more supportive policy environment. The efforts we have put in are beginning to show results, and we move ahead with confidence in delivering durable and profitable growth."



About Arman Financial Services Limited

Incorporated in 1992, Arman Financial Services Ltd. is an Ahmedabad based, Category A Non-Banking Finance Company (NBFC), which provides lending services primarily in the Two-Wheeler, Micro-Enterprise (MSME), Microfinance and LAP segments. The Microfinance division is operated through its wholly owned subsidiary, Namra Finance Ltd, an NBFC-MFI.

Arman is one of the market leaders in the NBFC space across the underpenetrated low-income parts of the country providing livelihood promotion services such as microcredit to socio-economically backward people, who have no or little access to the formal banking system or regular NBFC services. The group mostly serves niche rural markets in Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Uttarakhand, Rajasthan, Haryana, Bihar, Jharkhand, and Telangana through a strong distribution network of 509 branches, 50+ two-wheeler dealerships spread across 164 districts in 11 states serving ~6.4 lakh customers.

Company focuses on small ticket retail loans to the large underserved informal segment customers in rural & semi urban geographies. The Company has completely in-house operations with bottom-up driven credit appraisal models and rigorous collections practices tailored for the areas of operations.

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

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Investor Relations Advisors:



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