



ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014, Website: www.armanindia.com Ph: 079-40507000; E-mail: finance@armanindia.com; CIN:L55910G1992PLC018623

Statement of Standalone / Consolidated Unaudited Financial Results for the Quarter / Half Year Ended 30.09.2018

(Rs. in Lakhs)

Standalone					Consolidated							
Quarter Ended			Half Year Ended		Year Ended	Quarter Ended				Half Year Ended		Year Ended
30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	31.03.2018 (Audited)		Particulars	30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
1089.76	915.49	626.18	1103.59	2730.58	1	Income	3288.45	2915.27	1772.19	6203.72	3168.88	8002.10
6.29	0.03	0.07	0.15	1.38		(a) Revenue from Operations	6.29	0.03	0.08	6.32	0.16	1.38
1096.05	915.52	626.25	1103.74	2731.96		(b) Other Income	3294.74	2915.30	1772.27	6210.04	3169.04	8003.48
					2	Total Revenue (a + b)						
						Expenses						
						(a) Cost of materials consumed	0.00	0.00	0.00	0.00	0.00	0.00
						(b) Purchases of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
						(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
						(d) Employee benefits expense	592.96	573.90	397.09	1166.86	718.27	1637.73
						(e) Finance costs	1458.07	1281.96	822.66	2740.03	1330.84	3626.08
						(f) Depreciation and amortisation expense	13.14	11.84	9.87	24.98	18.52	37.32
						(g) Other expenses	453.11	409.27	439.91	862.38	854.84	1723.06
						Total expenses	2517.28	2276.97	1669.53	4794.25	2922.47	7024.19
					3	Profit before exceptional and extraordinary items and tax (1 - 2)	777.46	638.33	102.74	1415.79	246.57	979.29
					4	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
					5	Profit before extraordinary items and tax (3 - 4)	777.46	638.33	102.74	1415.79	246.57	979.29
					6	Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
					7	Profit before tax (5 - 6)	777.46	638.33	102.74	1415.79	246.57	979.29
					8	Tax expense						
						(a) Current tax	236.71	170.84	40.13	407.55	91.52	344.40
						(b) Deferred tax	0.00	6.74	-17.22	6.74	-18.45	-62.12
						(c) Short Provision of Income Tax of earlier years	0.00	0.00	0.00	0.00	0.00	-32.55
						Total Tax Expense (a + b)	236.71	177.58	22.91	414.29	73.07	249.73
					9	Profit (loss) for the period from continuing operations (7 - 8)	540.75	460.75	79.83	1001.50	173.50	729.56
					10	Profit/(loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
					11	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
					12	Profit/(loss) from Discontinuing operations (after tax) (10 - 11)	0.00	0.00	0.00	0.00	0.00	0.00
					13	Profit (Loss) for the period (9 - 12)	540.75	460.75	79.83	1001.50	173.50	729.56
					14	Paid-up equity share capital	695.23	692.47	692.47	695.23	692.47	692.47
					15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						4997.70
					16	Earnings per share: (before extraordinary items)						
						(a) Basic	7.79	6.65	1.15	14.43	2.51	10.21
						(b) Diluted	7.16	6.12	1.15	13.29	2.51	10.09
					17	Earnings per share: (after extraordinary items)						
						(a) Basic	7.79	6.65	1.15	14.43	2.51	10.21
						(b) Diluted	7.16	6.12	1.15	13.29	2.51	10.09

NOTES:

- The Disclosure is as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- The above results have been reviewed and approved by the Audit Committee and taken on record by the Board of Directors at the meeting held on 13.11.2018.
- The Company is operating in single segment, so above results are for single segment.

For, and on behalf of the Board of Directors



Jayendra Patel
Vice Chairman & Managing Director
DIN-00011814

Date: 13.11.2018
Place: Ahmedabad

Arman Financial Services Limited
Unaudited Statement of Assets & Liability as on 30.09.2018

Particulars	Standalone		Consolidated	
	As at 30.09.2018	As at 31.03.2018	As at 30.09.2018	As at 31.03.2018
EQUITY AND LIABILITIES				
[1] Shareholders' Funds :				
[a] Share Capital	69,522,980	69,246,530	69,522,980	69,246,530
[b] Reserves & Surplus	356896869	332,779,688	596,547,142	499,769,988
Sub- Total Share Holders Fund	426,419,849	402,026,218	666,070,122	569,016,518
[2] Non-Current Liabilities :				
[a] Long Term Borrowings	1,077,676,233	282,844,968	2,808,853,865	2,221,029,625
[b] Deferred Tax Liabilities (Net)				
[c] Long Term Provisions	4,719,110	3,063,285	9,679,212	6,644,873
Sub- Total Non Current Liabilities	1,082,395,343	285,908,253	2,818,533,076	2,227,674,498
[3] Current Liabilities				
[a] Short-Term Borrowings	409,375,635	496,306,706	434,992,807	497,568,455
[b] Other Current Liabilities	391,104,842	269,004,128	1,630,396,294	1,303,574,927
[c] Short Term Provisions	32,303,542	7,019,459	92,999,005	42,108,886
Sub- Total Current Liabilities	832,784,018	772,330,293	2,158,388,106	1,843,252,269
Total Equity & Liability	2,341,599,211	1,460,264,764	5,642,991,304	4,639,943,285
ASSETS :				
[1] Non Current Asset				
[a] Property, Plant & Equipment	7,816,594	14,098,962	26,193,629	25,912,717
[b] Intangible Assets	289,587	366,259	2,787,320	2,238,554
	8,106,181	14,465,221	28,980,949	28,151,271
[c] Long Term Investments	482,218,750	224,218,750	27,015,995	27,015,995
[d] Deferred Tax Assets (Net)	1,606,485	1,594,665	9,949,577	10,624,107
[e] Long-term Loans and Advances	507,726,738	445,359,497	1,120,902,121	772,260,838
[f] Other Non-Current Assets	62,287,581	33,654,085	230,924,023	105,284,070
Sub- Total Non Current Assets	1,061,945,735	719,292,218	1,417,772,665	943,336,280
[2] Current Assets				
[a] Trade Receivables	33,801,721	31,624,531	61,576,780	74,234,076
[b] Cash & Bank Balances	65,207,089	34,849,092	113,086,216	189,104,510
[c] Short term Loans and Advances	1,180,644,666	674,498,923	4,050,555,643	3,433,268,418
[d] Other Current Assets	0	0	0	0
Sub- Total Current Assets	1,279,653,476	740,972,546	4,225,218,639	3,696,607,004
Total Assets	2,341,599,210	1,460,264,764	5,642,991,304	4,639,943,285



Auditor's Limited Review Report on Consolidated quarterly and year to date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Consolidated).

To,
Board of Directors of
ARMAN FINANCIAL SERVICES LIMITED

We have reviewed the accompanying Consolidated Statement of unaudited financial results of **ARMAN FINANCIAL SERVICES LIMITED** comprises its subsidiary (**Namra Finance Limited**) having its Registered Office at 502-503, Sakar III, Opp. Old Gujarat High Court, Off Ashram Road, Ahmedabad - 380 014 for the quarter ended 30th September, 2018 and year to date results for the period 1st April, 2018 to 30th September, 2018. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors which has been prepared in accordance with applicable accounting standards specified under Section 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting policies generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 specified under Section 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014) 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: 13.11.2018

For, Samir M Shah & Associates
Chartered Accountants

(FRN: 122377W)



Samir Shah

(Samir M Shah)

Partner

(M.No.111052)

Auditor's Limited Review Report on Standalone quarterly and year to date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Standalone).

To

The Board of Directors

ARMAN FINANCIAL SERVICES LIMITED

Ahmedabad

We have reviewed the accompanying standalone statement of unaudited financial results of **ARMAN FINANCIAL SERVICES LIMITED** having its Registered Office at 502-503, Sakar-III, Opp. Old Gujarat High Court, Off Ashram Road, Ahmedabad - 380 014 ("the Company") for the quarter ended 30th September, 2018 and year to date results for the period 1st April, 2018 to 30th September, 2018. 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.

We conducted our review 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 the applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies generally has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad

Date: 13.11.2018



For, Samir M Shah & Associates .
Chartered Accountants
(FRN: 122377W)

(Samir M Shah)
Partner
(M.No.111052)

Ahmadabad, India, 15 November 2018: Arman Financial Services Ltd (Arman), a leading Gujarat based non-banking financial company (NBFC), with interests in microfinance, two wheelers and MSME loans, announced its financial results for the second quarter ended 30th September 2018.

Commenting on the Company's performance for Q2FY2018-19, **Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services** said, "The total AUM of the company has grown from Rs 296.27 Cr on 30 Sep 2017 to Rs 519.07 Cr as on 30 Sep 2018, a growth of 75.2%. Despite the ongoing liquidity crunch in the NBFC sector, the growth on a QoQ basis is 16.46%, from Rs 453.49 Cr as on 30 June 2018 to Rs 519.07 Cr on 30 Sep 2018. Our faith in our business model has been validated and that now reflects both in our growth and profitability."

The company profitability performance has been excellent during the quarter. For the three-months ended, the Profit-After-Tax of the company has grown from Rs 0.80 Cr on 30 Sep 2017 to Rs 5.41 Cr as on 30 Sep 2018, a growth of 576.25%. The company has posted its highest profit in this quarter.

The company has gradually expanded its business from Gujarat to other states. The journey of the company to other states has been quite encouraging. With this initial success we are further expanding our business in Uttar Pradesh, Madhya Pradesh, and Maharashtra. We are expanding into Rajasthan as the next state for our expansion, with 3 new branches opened during the month of October.

Overall these are challenging times for the NBFC sector, with a liquidity crunch and slowdown in growth. However, the company is well capitalised and has not been materially impacted because of our conservative Asset-Liability Management (ALM) policy of short-term assets & relatively longer-term liabilities given the 1-2-year tenure of our loans. The liquidity issues faced by the company and most of the MFI industry (which mostly operates with positive ALM) is largely a crisis in confidence in the NBFC sector and not due to any insolvency risks. The crisis originated from stress in short-term Money Market liquidity due to few defaults by a large NBFC. As of the date of this report, the company has sufficient liquidity in the pipeline to meet all disbursement projections in the short-term and sufficiently strong ALM to meet all debt obligations in the long-term. Should the liquidity shortage continue beyond the third quarter, it will require the company to consider adjusting our disbursement targets for fiscal 18-19. Interest costs will remain under pressure until the market liquidity issues are alleviated. Our focus is to continue our growth journey in the months and years ahead by creating a strong balance sheet, which can withstand these occasional macro-economic hiccups with relative ease.

Consolidated Business Review

Financial Highlights

Q2 FY2018-19 (July - September 2018) v/s. Q2 FY2017-18 (July – September 2017)

- Net Revenues increased by 85.61% to Rs 32.89 Cr from Rs17.72 Cr
- Employee costs increased by 49.33% to Rs 5.93 Cr from Rs 3.97Cr
- Interest costs increased by 77.16% to Rs 14.58 Cr from Rs 8.23 Cr

Operational Highlights

Q2 FY2018-19 (July – September 2018) v/s. Q2 FY2017-18 (July - September 2017)

- Our total employee strength has increased from 932 on Sept-17 to 1408 team members in Sept-18
- The company has slowed its planned branch opening due to the current liquidity crisis in the market. However, the company is committed to expand into Rajasthan, albeit in a controlled fashion. During the month on October 2018, the company reached into the state for the first time and opened 3 branches in the Chittorgarh and Pratapgarh districts of Rajasthan. We plan to open between 1-2 more branches in this State before the end of the year.
- MSME segment growing well, where AUM has increased to Rs 64.46 Cr as compared to Rs 23.77 Cr in Q2FY17, a 171% growth. This segment is showing superb asset quality and profitability.
- Interest income is up by more than 272% due to good growth in Microfinance segment and MSME segment.

Business Mix (Consolidated)

Revenues income from operations (Rs Cr)	Q2 (July - Sep)	Q2 (July - Sep)	YOY	6 Months (Apr – Sep)	6 Months (Apr – Sep)	YOY
	FY 2018-19	FY 2017-18	Change (%)	FY 2018-19	FY 2017-18	Change (%)
Namra Finance	21.99	11.46	91.88%	41.98	20.66	103.19%
Arman Financial Services	10.90	6.26	74.12%	20.60	11.06	86.26%
Total	32.89	17.72	85.61%	61.58	31.72	94.14%



As on date, MFI loans are serviced thru Namra Finance Ltd., a NBFC-MFI and wholly owned subsidiary of Arman Financial. Arman Financial Services manages the 2-Wheeler and MSME loans. MSME loans in a relatively new product line in which the company provides business loans of Rs 50,000 to 1,50,000 to small business owners in rural segments. For the 3 months ended, MSME revenues totaled Rs 5.61 Cr, while for the 6 months ended, they totaled Rs 9.37 Cr. Overall, there was a healthy increase in income for all of our 3 divisions based on portfolio growth. This will continue to increase in the future.

Expenditure Analysis (Consolidated)

Expenses (Rs Cr)	Q2 (July - Sep)	Q2 (July - Sep)	Change (%)	6 Months (Apr – Sep)	6 Months (Apr – Sep)	Change (%)
	FY 2018-19	FY 2017-18		FY 2018-19	FY 2017-18	
Employee Costs	5.93	3.97	49.33%	11.67	7.18	62.53%
Other Expenses	4.53	4.40	2.95%	8.62	8.55	0.94%
Interest Costs	14.58	8.23	77.16%	27.40	13.31	105.86%
Total Costs	25.04	16.60	50.84%	47.69	29.04	64.22%

On a YoY basis, we opened 40 new branches, 33 new branches in the microfinance division and 7 new branches in the MSME division. This, along with robust growth in our existing branches, resulted in an AUM growth of 75.20% and can account for the increase in overall expenses. Additionally, a large portion of the 'Other Expenses' for FY2017-18 include Provisioning and Bad Debts, which were higher by Rs 1.5 Cr compared to H1-FY2018-19 due to the impact of demonetization.

As the branch utilisation is increasing, we are able to squeeze out operating leverage and increase our profitability. As of the end of the quarter, consolidated active clients totaled 3.06 lacs versus 1.65 lacs the same quarter the previous year. This represents an 85% increase.

Profitability Mix (Consolidated)

Particulars (Rs Cr)	Q2 (July - Sep)	Q2 (July - Sep)	YOY Change (%)	6 Months (Apr – Sep)	6 Months (Apr – Sep)	Change (%)
	FY 2018-19	FY 2017-18		FY 2018-19	FY 2017-18	
EBIT	22.36	9.25	141.73%	41.56	15.77	163.54%
PAT	5.41	0.80	576.25%	10.02	1.74	475.86%
EPS (Rs Per Share)	7.79	1.16	573.83%	14.44	2.51	475.29%

Last year our operations were hit due to the impact of demonetization. Our operations have since then accelerated its growth and that is showing in increased profitability. Going forward, the profitability should remain stable.

With the equity fund raise in the first quarter of the current year, we are in a comfortable position in terms of our Tier 1 Capital.

Net Interest Income (NII) & Net Interest Margin (NIM) Analysis (Consolidated)

Particulars (Rs Cr)	Q2 (Jul– Sep)	Q3 (Oct - Dec)	Q4 (Jan-Mar)	Q1 (Apr – Jun)	Q2 (July – Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
Period Ending (AUM)	296.27	362.93	423.34	453.50	519.07
Net Interest Income (NII)	9.50	12.41	12.99	16.33	18.31
Net Interest Margin (NIM) (Annualised)	14.52%	15.07%	13.22%	14.90%	15.06%

NIM has marginally improved in the previous quarter. While we have recently raised Tier I capital, which increased our Capital Adequacy Ratio, the capital was infused in the form of Compulsory Convertible Debentures, which will remain interest bearing until conversion in Q3FY20. Until the conversion, we expect the NIMs to stabilize at current levels. We are aware of the tightening liquidity conditions in the market and are expecting an increase in overall borrowing costs should the liquidity crisis continue into the fourth quarter. We have multiple lenders and maintain a very

good relationship with them. Also given the short tenure of our loans and the relative long-term tenure of our borrowings, we do not face any asset liability mismatch. As such, there is no insolvency risk even if market liquidity becomes nil.

Business Tracker (Microfinance)

Particulars (Rs Cr)	Q2	Q3	Q4	Q1	Q2
	(Jul– Sep)	(Oct - Dec)	(Jan-Mar)	(Apr – Jun)	(Jul– Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
AUM	190.8	240.14	287.46	309.84	357.98
Disbursement for the Qtr	104.53	110.16	117.93	116.10	153.54
Gross Interest Income (Interest Income + Processing Fee)	11.46	14.36	17.71	19.99	21.99

We have done disbursements of Rs 153 Cr in this quarter, which is the highest in any quarter till date. The contribution from the newly opened branches has kicked in and we continue to open new branches strategically. This in October, we have forayed into Rajasthan with three new branches and continue with our geographical expansion across India. Income from operations continues to increase as per our projections.

Operational Branches (Microfinance)

Particulars (Rs Cr)	Q2	Q3	Q4	Q1	Q2
	(Jul– Sep)	(Oct - Dec)	(Jan-Mar)	(Apr – Jun)	(July – Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
Gujarat	36	36	36	38	38
Madhya Pradesh	26	23	24	27	31
Maharashtra	13	12	15	21	23
Uttar Pradesh/Uttarakhand	26	28	32	35	42
Total Branches	101	99	107	121	134

Our branch expansion continues as per projections. We have opened 13 more branches in the Microfinance division. We have forayed into Rajasthan with 3 new branches during the month of October. However, will delay opening any new branches in the 3rd quarter of the current year until the market liquidity improves.

Business Tracker (2 Wheeler Finance)

Particulars (Rs Cr)	Q2	Q3	Q4	Q1	Q2
	(Jul– Sep)	(Oct - Dec)	(Jan-Mar)	(Apr – Jun)	(Jul– Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
AUM	81.70	88.63	89.64	89.25	96.63
Disbursement for the Qtr	22.75	27.44	21.51	21.59	22.19
Interest Income	5.03	5.73	5.21	5.39	5.35

We did a commendable performance in the 2-Wheeler business with our AUM growing 5% on a YOY basis. Given the challenges faced by other NBFCs due to the liquidity crisis, we foresee a reduced competition in this space in the quarters ahead and that should reflect in better growth and profitability in this segment.

Business Tracker (MSME)

Particulars (Rs Cr)	Q2	Q3	Q4	Q1	Q2
	(Jul– Sep)	(Oct - Dec)	(Jan-Mar)	(Apr – Jun)	(Jul– Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
AUM	23.77	34.16	46.24	54.41	64.46
Disbursement for the Qtr	12.44	12.93	16.70	17.07	23.48
Interest Income	1.51	1.86	2.90	3.76	5.61

MSME is our newest business line and we have started reporting it as a separate product line. Our MSME loans are in the range of Rs 50,000 to Rs 150,000 and offers doorstep collections, building on the strength of our MFI distribution network.

Our MSME portfolio is performing quite well. Our total AUM for MSME stands at Rs 64.46 Cr as on 30 September 2018 against Rs 23.77 Cr on 30 September 2017. It has contributed to 18% of our Topline in the current quarter.

Quarterly disbursement has increased from Rs 12.44 Cr in Q2FY18 to Rs 23.48 Cr in Q2FY19. While there is opportunity to expand rapidly into this segment and increase disbursements, our strategy has always been one of caution for any new product. As we gain comfort in this new segment, we will continue to ramp up branch openings and disbursements.

NPA Analysis (Namra)

Particulars (Rs Cr)	Q2 (Jul– Sep)	Q3 (Oct - Dec)	Q4 (Jan-Mar)	Q1 (Apr – Jun)	Q2 (July – Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
Gross NPA	2.19	2.15	3.60	3.52	2.41
Provisions	0	0	0	0	0
Net NPA	2.19	2.15	3.60	3.52	2.41
Net NPA Percentage	1.10%	0.87%	1.12%	1.11%	0.67%
Provision on Standard assets	1.99	2.46	3.22	3.18	3.60

Our Gross NPA percentage has started reducing due to increased write-offs in the current quarter and robust collections, thanks to a dedicated collections team to tackle hard bucket overdues. NPAs percent has also decreased thanks to a strong growth in AUM. As per RBI guidelines, we are not required to provide provision for NPAs so long as there are sufficient provisions against standard assets (based on the formula provided by RBI).

NPA Analysis (Arman)

Particulars (Rs Cr)	Q2 (Jul– Sep)	Q3 (Oct - Dec)	Q4 (Jan-Mar)	Q1 (Apr – Jun)	Q2 (Jul– Sep)
	FY 2017-18	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19
Gross NPA	2.69	2.73	3.54	3.74	4.15
Provisions	0.27	0.28	0.36	0.37	0.42
Net NPA	2.42	2.45	3.18	3.38	3.69
Net NPA Percentage	2.51%	1.99%	2.33%	2.35%	2.45%



Arman Financial Services Limited

The absolute NPAs in the 2-wheeler business has increased from the previous years due to the RBI mandated policy of recognizing NPAs after a delay of 90 days vs. the earlier norm of 180 days. While there is some pressure in the asset quality in the 2-wheeler finance industry, our assets quality in the 2-wheeler segment remains mostly consistent after accounting for the change in NPA recognition policy. The MSME portfolio continues to perform admirably, with total NPA of Rs 4 lakhs.

For, Arman Financial Services Limited



Director



About Arman Financial Services Ltd

Arman Financial Services Ltd. (BSE: 531179, NSE: ARMANFIN) 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 159 branches and 55 dealer touch-points.

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 on Arman, please visit www.armanindia.com

If you have any questions or require further information, please feel free to contact

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