Arman Financial Services Limited

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Date: April 13, 2022

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: PRESS RELEASE

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby submit press release on Business Update for the year ended on March 31, 2022.

Kindly take it on your record.

Thanking you,

Yours faithfully,
For, Arman Financial Services Limited

Jaimish Patel
Company Secretary

ARMAN FINANCIAL SERVICES LIMITED * AHMEDABAD

Arman Financial Services Ltd.

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Business Update – 31st March 2022

On a solid post-pandemic growth trajectory, aided by superior asset quality

Key highlights of the year

- Consolidated AUM up by ~50% YoY
- Disbursements up by ~106% YoY
- Added 1,87,417 new borrowers
- Added 47 branches to reach 286

Ahmedabad, India, 13th April 2022: Arman Financial Services Ltd (Arman), a Gujarat based Non-Banking Finance company (NBFC), with interests in Microfinance, Two-Wheelers, and Micro-Enterprise (MSME) loans, announced a business update on Key operational indicators for the quarter and year ended 31st March 2022. It delivered solid post-pandemic performance aided by improved Asset Quality.

Key Operational Highlights

- Consolidated Asset under Management as on 31st March, 22 stood at ₹ ~1,222 crore higher by ~50% YoY on the back of enhanced branch network, which helped in catering to new customers and geographies, the demand from existing customers, and the addition of new customers in existing geographies.
    - Microfinance AUM grew by 59% YoY to ₹ 1,021 crore
    - MSME AUM grew by 25% YoY to ₹ 157 crore

- Consolidated disbursements for Q4 FY22 stood at ₹ 339 crore and for FY22 at ₹ 1,049 crore; higher by 23% and 106% YoY respectively.
    - Microfinance disbursements for Q4 FY22 stood at ₹ 281 crore and for FY22 at ₹ 866 crore, growing by 22% & 107% YoY respectively. For the first time, monthly disbursements crossed ₹ 100 crore mark to ₹ 107 crore in March 22, compared to the previous high of ₹ 90 crore.
    - MSME disbursements for Q4 FY22 stood at ₹ 51 crore and for FY22 at ₹ 139 crore, growing by 34% & 106% YoY respectively. For the first time, monthly disbursements crossed ₹ 20 crore in March 22, compared to the previous high of ₹ 16 crore.

- Consolidated Collection Efficiency for March 22 stood at 97.8%, steadily moving towards Pre – COVID levels

Business Segment	Jan-22	Feb-22	Mar-22
Microfinance	93.0%	94.8%	98.3%
MSME	94.1%	94.4%	97.1%
Two-Wheeler	95.1%	95.4%	96.2%

Robust Collection efficiency is aided by our localised, passionate on-ground workforce, increased touchpoints, continuous customer interaction and customer focus approach.

- 68,853 New borrowers were added in Q4 FY22 at the consolidated level and the number of new borrowers added over the financial year stood at 1,87,417.

- Branch Network grew by 24 branches during the quarter, taking the total No. of branches to 286 as on 31st March 22.

Please note that the numbers stated herein as of 31st March 2022 are provisional unaudited numbers and are subject to review by the Audit Committee, statutory auditors, and Board of Directors.

The key driver to the improved performance is the company's established track record of operations in all three segments, strength from business synergies, experienced promoters and management team, healthy resource raising ability, comfortable capital structure and healthy liquidity buffers with a diversified funding profile from more than ~30 banks and financial institutions.

Further, to achieve deeper penetration and reduce geographical concentration risk, the group has expanded into newer regions in the past four years, which has resulted in a decline in concentration in Gujarat from ~80% in FY17 to 39% in FY21 and 33% in FY22. Other key states' contributions to AUM stood at Madhya Pradesh 21%; Maharashtra 12%; Uttar Pradesh 20% & Rajasthan 10%. The group has also expanded its footprint in Uttarakhand, Haryana and Bihar.

Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services, said, "*Our strong operating performance in another challenging year is testimony to our robust business model, enabled by a customer-centric approach, continuous customer engagement, and our growing geographic reach. The last two years tested us on all parameters and made us more resilient and stronger to weather any challenges, FY22 being especially challenging with the Second Wave of COVID, which was more challenging than the first wave. With the new RBI guidelines becoming applicable to MFIs from April 1, 2022, it will bring new opportunities to expand along with its operational challenges. Going forward, our larger interest will be to rebuild our profitability and asset quality to pre-covid levels. We are quite optimistic about our sustainable growth and earning potential in the coming years. We celebrate our 30th year in operations in FY23, and we thank all of our stakeholders for their continued support."*

For, Arman Financial Services Limited

Director

About Arman Financial Services Limited

Arman Financial Services Ltd (NSE: ARMANFIN; 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, an NBFC-MFI. The group operates primarily in unorganised and underserviced segments of the economy. It mainly serves niche rural markets in Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Uttarakhand, Rajasthan, Haryana & Bihar through its network of 286 branches.

Arman Financial Services Ltd.

Arman's big differentiator from a Bank and other NBFCs is the last mile credit delivery system. They serve areas and clients where banks cannot provide financial services under the current market scenario. For more information, please visit our website www.armanindia.com.

For more information, contact

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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