



Arman Financial Services Limited

501-504, SAKAR III, OPP. OLD HIGH COURT, OFF. ASHRAM ROAD, AHMEDABAD-380 014. GUJARAT, INDIA
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Date: September 12, 2019

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: UNAUDITED FINANCIAL RESULTS WITH LIMITED REVIEW REPORT FOR THE QUARTER
ENDED ON JUNE 30, 2019**

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submitting Unaudited Financial Results (Standalone & Consolidated) for the quarter ended on June 30, 2019 as reviewed by audit committee and approved by Board of Directors in it's meeting held on September 12, 2019.

The statutory auditors have also carried out a limited review. The Limited Review Certificates of M/s Samir M. Shah & Associates, on Unaudited Financial Results (Consolidated & Standalone) for the quarter ended on June 30, 2019 are also forwarded herewith.

The Meeting conducted at 01.00 p.m. and concluded at 3:45 p.m.

Thanking you,

Yours faithfully,
For, Arman Financial Services Limited


Jayendra Patel
Vice Chairman & Managing Director
(DIN: 00011814)



ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014

CIN:L55910GJ1992PLC018623

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

(Rs. In Lacs except per share data)			
PART-I			
Sr. No.	Particulars	Quarter ended	
		30.06.2019	30.06.2018
		Unaudited	Unaudited
1	Income from operations		
	a. Revenue from Operations		
	i. Interest Income	4,581.99	2,715.98
	ii. Fees and Commission Income	130.98	97.20
	iii. Income from Current Investment in Mutual Fund- Fair value through Profit & Loss	42.08	29.03
	iv. Others	23.23	9.77
	Total revenue from Operations	4,778.29	2,851.99
	b. Other Income	41.24	-
	Total Income	4,819.53	2,851.99
2	Expenses		
	a. Finance cost	1,824.94	1,143.05
	b. Fees and commission expenses	46.67	25.11
	c. Employees benefits expense	800.63	554.68
	d. Depreciation and amortisation expense	15.85	11.84
	e. Impairment on Financial Assets	66.08	(14.60)
	f. Other expenses	447.05	411.42
	Total Expenses	3,201.22	2,131.49
3	Profit / (Loss) before an Exceptional and Tax (1-2)	1,618.31	720.50
4	Exceptional Items	-	-
5	Profit / (Loss) before Tax (3 - 4)	1,618.31	720.50
8	Tax Expense		
	- Current tax	448.78	170.84
	- Deferred tax liability / (asset)	(41.52)	40.81
	Tax Expenses	407.26	211.65
9	Profit / (Loss) for the period	1,211.05	508.85
10	Other comprehensive income / (loss)		
	(a) (i) Items that will not be reclassified to profit and loss		
	- Remeasurement of Defined Benefit Obligations	(1.68)	(1.94)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.49	0.56
	(b) (i) Items that will be reclassified to profit and loss		
	- Fair Value change on Advances	(71.18)	45.21
	(ii) Income tax relating to items that will be reclassified to profit and loss	20.73	(11.52)
	Other comprehensive income / (loss)	(51.64)	32.32
11	Total Comprehensive Income	1,159.41	541.17
12	Paid up Equity Share capital (face value of Rs. 10/-)	695.23	692.46
12	Earnings per share (in Rs.)		
	(a) Basic EPS	17.42	7.35
	(b) Diluted EPS	13.73	5.92

Notes:-

1 The unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 [the 'Act']. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Act and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by Reserve Bank of India ('RBI') and other generally accepted accounting principles in India (collectively referred to as the 'Previous GMP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These unaudited standalone financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 June 2019 based on the Press Release issued by the Ministry of Corporate Affairs ('MCA') on 18 January 2016. Any application guidance / clarifications / directions Issued by RBI or other regulators are implemented as and when they are issued / applicable.

2 In compliance with Regulation 33 of the Securities Exchange Board of India (the 'SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of the financial results for the quarter ended 30 June 2019 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31 March 2019 and previous year ended 31 March 2019. Further, the standalone financial results for the quarter ended 30 June 2018 have not been subjected to a limited review or audit. However, management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30 June 2018 provide a true and fair view of the Company's affairs.



As required by Ind AS 101, the profit reconciliation between the figures previously reported under Previous GMP and restated as per Ind AS is as under:

Description	Corresponding 3 months ended 30/06/2018 in the previous year
A. Profit after tax as reported under previous GAAP	460.75
<u>Adjustments resulting in increase/(decrease) in profit after tax as reported under Previous GAAP</u>	
i) Fair value Impact of Compulsory Convertible Debentures	85.16
ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	(21.41)
iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	(13.30)
iv) Impact on recognition of ECL on Advances	11.08
v) Impact on Employee stock options at Fair Value Method	20.62
vi) Impact due to fair valuation of Financial Guarantee	-
vii) Tax Impact on Above Adjustments	(34.05)
Profit after tax as reported under Ind AS (A)	508.85
B. Other Comprehensive Income I (loss) (net of tax)	
Less- Remeasurement of Defined Benefit Obligations	(1.94)
Add - Income tax relating to items that will not be reclassified to profit and loss	0.56
Add - Fair Value change on Advances	45.21
Less- Income tax relating to items that will be reclassified to profit and loss	(11.52)
Total Other Comprehensive Income I (loss) (net of tax) (B)	32.32
C. Total Comprehensive Income as reported under Ind AS (A+B)	541.17

- 3 The unaudited standalone financial results for the quarter ended 30 June 2019 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12th September 2019.
- 4 The Company has adopted Ind AS 116 "Leases" effective April 01, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- 5 The Company's business activity falls within a single business segment i.e. Non Banking Services hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 6 The performance of the quarter is not representative of the full year's performance.
- 7 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Date: 12.09.2019
Place: Ahmedabad



For and on behalf of the Board,
ARMAN FINANCIAL SERVICES LIMITED


Jayendra Patel
Vice Chairman and Managing Director
(DIN: 00011814)

SAMIR M. SHAH & ASSOCIATES

Chartered Accountants

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Satellite Road, Ahmedabad - 380 015.

Corporate Office :- "Heaven", 8, Western Park Society, Nr. Inductotherm,
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Limited Review Report on Unaudited Quarterly Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors,
Arman Financial Services Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Arman Financial Services Limited** (the "Parent") and its one subsidiary (the Parent and its subsidiary together referred to as the "Group"), for the quarter ended June 30, 2019 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Consolidated financial results for the quarter ended 30 June 2018 reported under previous GAAP are based on the Special Purpose Condensed Consolidated Financial Statements (the 'financial statements') of the Company for the quarter ended 30 June 2018. We draw attention to the fact that management has adjusted these previously issued financial statements for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') and presented reconciliation for the same, which have been approved by the Company's Board of Directors. The figures for the corresponding quarter ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in the Statement have not been subjected to review. Our conclusion is not modified with respect to this matter.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
4. We conducted our review of the Statement 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
5. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable. The Statement includes the results of **Namra Finance Limited**.

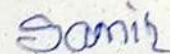


6. Based on our review conducted and procedures performed as stated in paragraph 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial information of (1) one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenue of Rs. 3242.47 lakhs for the quarter ended June 30, 2019, total net profit after tax of Rs. 719.09 lakhs for the quarter ended June 30, 2019 and total comprehensive income / (Loss) of Rs. (74.56) lakhs for the quarter ended June 30, 2019, as considered in the Statement. This interim financial information has been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on thereports of the other auditors.

For, Samir M Shah & Associates
Chartered Accountants,
Firm Regd. No. 122377W

Place: Ahmedabad

Date: 12.09.2019


Samir M Shah
Partner

M. No. 111052

UDIN - _____



ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Sr. No.	Particulars	(Rs. In Lacs except per share data)	
		Quarter ended	
		30.06.2019	30.06.2018
		Unaudited	Unaudited
1	Income from operations		
	a. Revenue from Operations		
	i. Interest Income	1,561.94	906.15
	ii. Others	23.23	9.77
	Total revenue from Operations	1,585.17	915.92
	b. Other Income	31.40	34.81
	Total Income	1,616.57	950.74
2	Expenses		
	a. Finance cost	470.79	271.49
	b. Fees and commission expenses	15.72	4.43
	c. Employees benefits expense	301.04	198.29
	d. Depreciation and amortisation expense	2.49	3.42
	e. Impairment on Financial Assets	35.51	10.16
	f. Other expenses	152.79	182.82
	Total Expenses	978.34	670.61
3	Profit / (Loss) before an Exceptional and Tax (1-2)	638.23	280.13
4	Exceptional Items	-	-
5	Profit / (Loss) before Tax (3 - 4)	638.23	280.13
8	Tax Expense		
	- Current tax	160.13	46.12
	- Deferred tax liability / (asset)	(45.26)	33.30
	Tax Expenses	114.87	79.42
9	Profit / (Loss) for the period	523.36	200.71
10	Other comprehensive income / (loss)		
	(a) (i) Items that will not be reclassified to profit and loss		
	- Remeasurement of Defined Benefit Obligations	(1.02)	(2.40)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.30	0.70
	(b) (i) Items that will be reclassified to profit and loss		
	- Fair Value change on Advances	33.35	17.88
	(ii) Income tax relating to items that will be reclassified to profit and loss	(9.71)	(4.41)
	Other comprehensive income / (loss)	22.92	11.77
11	Total Comprehensive Income	546.28	212.48
12	Paid up Equity Share capital (face value of Rs. 10/-)	695.23	692.46
12	Earnings per share (in Rs.)		
	(a) Basic EPS	7.53	2.90
	(b) Diluted EPS	6.00	2.46

Notes:-

- The unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 [the 'Act']. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Act and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by Reserve Bank of India ('RBI') and other generally accepted accounting principles in India (collectively referred to as the 'Previous GMP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These unaudited standalone financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 June 2019 based on the Press Release issued by the Ministry of Corporate Affairs ('MCA') on 18 January 2016. Any application guidance / clarifications / directions Issued by RBI or other regulators are implemented as and when they are issued / applicable.



- 2 In compliance with Regulation 33 of the Securities Exchange Board of India (the 'SEBI' (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of the financial results for the quarter ended 30 June 2019 has been carried out by the Statutory Auditors.

As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results for the quarter ended 31 March 2019 and previous year ended 31 March 2019. Further, the standalone financial results for the quarter ended 30 June 2018 have not been subjected to a limited review or audit. However, management has exercised necessary due diligence to ensure that the financial results for the quarter ended 30 June 2018 provide a true and fair view of the Company's affairs.

As required by Ind AS 101, the profit reconciliation between the figures previously reported under Previous GMP and restated as per Ind AS is as under:

	Description	Corresponding 3 months ended 30/06/2018 in the previous year
A.	Profit after tax as reported under previous GAAP	119.37
	<u>Adjustments resulting in Increase/(decrease) in profit after tax as reported under Previous GAAP</u>	
	i) Fair value Impact of Compulsory Convertible Debentures	85.16
	ii) Impact on On recognition of other financial liabilities at amortised cost by application of Effective Interest Rate method	(3.14)
	iii) Impact on On recognition of other financial Assets at amortised cost by application of Effective Interest Rate method	0.41
	iv) Impact on recognition of ECL on Advances	(9.24)
	v) Impact on Employee stock options at Fair Value Method	6.75
	vi) Impact due to fair valuation of Financial Guarantee	34.81
	vii) Tax Impact on Above Adjustments	(33.42)
	<u>Profit after tax as reported under Ind AS (A)</u>	200.71
B.	<u>Other Comprehensive Income I (loss) (net of tax)</u>	
	Less- Remeasurement of Defined Benefit Obligations	(2.40)
	Add - Tax Impact on Above	0.70
	Add - Fair Value change on Advances	17.88
	Less- Tax Impact on Above	(4.41)
	<u>Total Other Comprehensive Income I (loss) (net of tax) (B)</u>	11.77
C.	<u>Total Comprehensive Income as reported under Ind AS (A+B)</u>	212.48

- 3 The unaudited standalone financial results for the quarter ended 30 June 2019 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12th September 2019.
- 4 The Company has adopted Ind AS 116 "Leases" effective April 01, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the current quarter.
- 5 The Company's business activity falls within a single business segment i.e. Non Banking Services hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 6 The performance of the quarter is not representative of the full year's performance.
- 7 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Date: 12.09.2019
Place: Ahmedabad



For and on behalf of the Board,
ARMAN FINANCIAL SERVICES LIMITED

Jayendra Patel
Vice Chairman and Managing Director
(DIN: 00011814)

SAMIR M. SHAH & ASSOCIATES

Chartered Accountants

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Limited Review Report on Unaudited Quarterly Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Arman Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Arman Financial Services Limited** (the 'Company') for the quarter ended 30 June 2019 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The standalone financial results for the quarter ended 30 June 2018 reported under previous GAAP are based on the Special Purpose Condensed Standalone Financial Statements (the 'financial statements') of the Company for the quarter ended 30 June 2018. We draw attention to the fact that management has adjusted these previously issued financial statements for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') and presented reconciliation for the same, which have been approved by the Company's Board of Directors. The figures for the corresponding quarter ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in the Statement have not been subjected to review. Our conclusion is not modified with respect to this matter.
3. 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.
4. We conducted our review of the Statement 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



5. 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 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: 12.09.2019

For, Samir M Shah & Associates
Chartered Accountants,
Firm Regd. No. 122377W

Samir M Shah

Samir M Shah
Partner

M. No. 111052

UDIN - _____

