Arman Financial Services Limited
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PH.: +91-79-40507000, 27541989 E-mail: finance@armanindia.com CIN: L55910GJ1992PLC018623

August 12, 2026

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,

Subject: <u>Press Release on Q1 FY 2026-27</u>

Pursuant to Regulation 30 of the SEBI (Listing Obligations ad Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Press Release on Unaudited Financial Results for the Quarter ended June 30, 2026, as approved by the Board of Directors at its meeting held on August 12, 2026.

The same is also being made available on the website of the Company.

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: 2026.08.12 19:49:19 +05'30'

Uttam Patel
Company Secretary & Chief Compliance Officer

Arman Financial Services Limited

Ahmedabad, Gujarat, August 12, 2026:

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, solar loans and Loan Against Property (LAP) announced its financial results for the quarter ended 30th June 2026. The financial numbers are based on Ind-AS.

Business Performance:

Particulars (INR Crore)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ
Assets Under Management	**2,925**	2,156	*35.7%*	2,728	7.2%
Gross Total Income	**202**	151	*33.7%*	176	14.9%
Pre-Provisioning Operating Profit	**77**	55	*38.5%*	59	29.2%
Profit After Tax	**45**	-15	*NA*	41	10.1%

- Consolidated Asset Under Management (AUM) stood at INR 2,925 Crore, as of June 30, 2026, marking the Company's highest-ever AUM.
- Consolidated disbursements for Q1 FY27 stood at INR 686 crore, highest-ever first quarter disbursements, registering a growth of 76% YoY as from INR 390 crore in Q1 FY26.
    - This growth was supported by an improving operating environment and strengthening credit demand across key segments.
- Net Total Income for Q1 FY27 stood at INR 138 crore, while Pre-Provision Operating Profit (PPoP) stood at INR 77 crore, supported by lower provisioning during the quarter.
- Profit After Tax (PAT) for Q1 FY27 stood at INR 45 crore, compared with INR 41 crore in Q4 FY26, registering a 10% QoQ growth.
- Shareholders' Equity as of June 30, 2026, stood at INR 979 Crore

Borrowing & Liquidity Profile:

- Total borrowings stood at INR 2,403 Crore (Including off balance sheet direct assignment (DA) liability)
- Of the total borrowings, 29.1% is through banks, 15.7% is through NBFCs & FIs, 35.7% is through NCDs and 18.2% is through direct assignments & (off-balance-sheet liabilities). The rest is borrowed from DFIs and others.
- ALM position remains positive, with continued access to diversified funding sources, including DA and NCDs, along with support from existing lending partners.
- As on 30th June 2026, the Company has healthy Liquidity position with INR 286 Crore in cash/bank balance, liquid investments, and undrawn CC limits
- Additionally, the company has INR 335 Crore undrawn sanctions from existing lenders

Collection Efficiency:

- Collection efficiency for the quarter stood 96.6%.
- Segment-wise collection efficiency for the month of June 2026 was:
  - Microfinance segment – 96.9%
  - MSME segment – 96.4%
  - 2W segment – 97.7%

Asset Quality:

- GNPA stood at 2.76%; NNPA stood at 0.84%
- Cumulative Provisions stood at INR 72 Crore as on 30th June 2026 (covering 2.5% of the consolidated AUM, 2.9% on book)

Standalone Business (Two-Wheeler, MSME Segment, Loan Against Property, Solar Loans):

Particulars (INR Crore)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ
Assets Under Management	**758**	602	*25.9%*	**730**	3.9%
Gross Total Income	**66**	51	*29.9%*	**60**	9.3%
Pre-Provisioning Operating Profit	**24**	23	*3.4%*	**16**	50.3%
Profit After Tax	**15**	12	*17.2%*	**10**	48.2%

- Assets under Management for the MSME, Two-Wheeler, LAP stood at INR 758 Crore
    - AUM for MSME - INR 573 Crore
    - AUM for Two-Wheeler - INR 93 Crore.
    - AUM for LAP - INR 90 Crore.
    - AUM for Solar Loans – INR 3 Crore
- Total Disbursement for the MSME, Two-Wheeler and LAP stood at INR 156 Crore in Q1FY27.
- Net total income for Q1FY27 stood at INR 46 Crore, registering a 19% year-on-year growth.
- Pre-Provision Operating Profit (PPoP) for the quarter stood at INR 24 Crore.
- Profit After Tax improved by 17.2% year on year to INR 15 Crore
- GNPA for MSME stood at 3.35%; while NNPA stood at 0.59%.
- GNPA for Two-Wheeler stood at 3.50%; while NNPA stood at 1.49%.
- GNPA for LAP stood at 1.52 %; while NNPA stood at 0.68%.
- Company has a strong capital base with a capital adequacy ratio of 33.57% as on 30th June 2026.

Microfinance Segment (Namra)

Particulars (INR Crore)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ
Assets Under Management	**2,167**	1,554	*39.4%*	**1,999**	8.4%
Gross Total Income	**138**	102	*35.3%*	**117**	17.7%
Pre-Provisioning Operating Profit	**52**	32	*64.1%*	**41**	26.0%
Profit After Tax	**30**	-28	*NA*	**29**	2.6%

- As of 30th June 2026, Namra's AUM stood at INR 2,167 reporting a growth of 39.4% year on year
- Disbursements during Q1 FY27 stood at INR 530 crore, supported by healthy traction in the Individual Loan segment.
- Gross Total Income for Q1 FY27 stood at INR 138 crore, up 35.3% YoY and 17.7% QoQ, while Net Total Income stood at INR 91 crore.
- Profit After Tax (PAT) stood at INR 30 crore in Q1 FY27, compared to a loss of INR 28 crore in Q1FY26
- Total ECL Provisions decreased by 48.1% YoY to INR 43 Crore

- Write-off (net of recovery) during the quarter stood at INR 20 crore, with improved collection trends supporting a gradual improvement in portfolio quality.
- Active MFI Customers stood at ~4.9 lakh.
- GNPA stood at 2.59%; NNPA stood at 0.89% as on 30th June 2026.
- As on 30th June 2026; the capital adequacy ratio for Namra stood at 38.83%.

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

"Q1FY27 has been an encouraging start to the year and, more importantly, the improvement in the operating environment that we started seeing during the second half of FY26 has continued into this quarter. Collection trends have remained stable and fresh delinquencies have moderated. While I would still hesitate to say that the sector has completely normalised, we are clearly operating from a much stronger footing than we were a year ago.

Against this backdrop, our AUM stood at INR 2,925 Crore, registering growth of 35.7% year-on-year. Disbursements during the quarter were INR 686 Crore, up 76.1% year-on-year and representing our highest-ever first-quarter disbursements. We continue to see healthy traction in the Individual Loan portfolio, which remains an important part of how we are evolving our microfinance business towards more individualised credit assessment and customer-level underwriting.

Importantly, this growth has not come at the expense of portfolio quality. Over the last several quarters, we have been deliberately strengthening the way we underwrite, monitor and collect our loans. The separation of credit and recovery functions from branch operations is now well embedded across the organisation and is resulting in better accountability, sharper credit decisions and more focused collections. Collection efficiency stood at 96.6% for the quarter, while GNPA and NNPA improved to 2.76% and 0.84%, respectively.

We have also continued to strengthen portfolio protection through the CGFMU scheme, alongside tighter underwriting standards and closer monitoring of borrower cash flows. These measures inevitably involve some additional operating cost, but we believe they are necessary investments in building a more resilient business and should support lower and more predictable credit costs over time. As of June 30, 2026, 94.16% of the Microfinance portfolio was covered under the CGFMU scheme.

On the financial front, PAT for the quarter stood at Rs. 45 Crore compared to a loss of 15 Crore in Q1FY26, reflecting the improvement in credit costs and operating performance. We remain comfortably capitalised, with capital adequacy at 33.57% for Arman and 38.83% for Namra and continue to have adequate liquidity to support our growth plans.

As we move through FY27, our approach remains unchanged. We want to grow, but we want that growth to be careful, calibrated and supported by the quality of the underlying portfolio. We are encouraged by the improvement in collections and asset quality, particularly given the various macroeconomic headwinds during the quarter. Despite the ongoing situation in West Asia and concerns around a weaker monsoon due to El Niño, these factors have not yet shown up materially in our repayment behaviour or portfolio performance. I had expected to see at least some marginal softening in collections, but we have not seen any meaningful deterioration attributable to these factors at this stage. That said, we remain watchful, as their impact could become more visible over the coming quarters.

There is still work to be done, particularly around improving operating efficiency and profitability as the portfolio scales, but I believe we have entered FY27 with a considerably stronger operating framework. Our focus will remain on disciplined execution, prudent risk management and building a larger, more diversified and sustainable lending franchise over the coming quarters."

About Arman Financial Services Limited

Incorporated in 1992, Arman Financial Services Ltd. is an Ahmedabad based, Category B Non-Banking Finance Company (NBFC), which provides lending services primarily in the Two-Wheeler, Micro-Enterprise (MSME), Microfinance, Solar 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, Karnataka and Telangana through a strong distribution network of 556 branches, 50+ two-wheeler dealerships spread across 188 districts in 11 states serving ~6.3 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

For further information, please contact

Company:	Investor Relations Advisors:

Arman Financial Services Limited

CIN: L55910GJ1992PLC018623

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