



Arman Financial Services Limited

501-504, SAKAR III, OPP. OLD HIGH COURT, OFF. ASHRAM ROAD, AHMEDABAD-380 014. GUJARAT, INDIA
PH. : +91-79-40507000, 27541989 FAX : +91-79- 27543666 e-mail : finance@armanindia.com Website : www.armanindia.com

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To, BSE Limited Phiroze Jeejeebhoi Tower, Dalal Street, Mumbai- 400001	To, National Stock Exchange of India Limited "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai- 400051
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Dear Sir,

SUB: DISSEMINATION OF PRESS NOTE TO SHAREHOLDERS

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit press release on recent borrowing transactions made by Namra Finance Limited (Wholly Owned Subsidiary).

Thanking you,

Yours faithfully,

For Arman Financial Services Limited

Jaimish Patel
Company Secretary



Encl: Press Release

Arman Financial's Wholly Owned Subsidiary "Namra Finance Ltd" (an NBFC-MFI) Successfully Raises ₹ 66.3 Crores of Debt Capital from MUDRA, and the IIV Mikrofinanzfonds, Germany on Favourable Terms

Ahmedabad, India, 24 March 2020: Arman Financial Services Ltd (Arman), a Gujarat based non-banking financial company (NBFC), with interests in microfinance, two-wheelers, and micro-enterprise (MSME) loans, **announced that its wholly-owned subsidiary "Namra Finance Ltd" which manages the microfinance business of the group, raised ₹ 66.3 crores of debt capital from MUDRA, and the IIV Mikrofinanzfonds, Germany (external commercial borrowing)**

Highlights of the Borrowing Transactions

1. Borrowed ₹ 25 Crores from **MUDRA** at a 6.4% rate of interest, on 17th March, 2020. (Tenure: 2 years)
2. **Raised external commercial borrowing (ECB)** of ₹ 41.3 Crores, from **IIV Mikrofinanzfonds, Germany** at a 12.0% rate of interest (inclusive of hedging cost), on 16th March, 2020. This loan is fully hedged, and has a tenure of 3 years with a bullet repayment structure

Mr. Jayendra Patel, Vice Chairman & Managing Director, Arman Financial Services, said, "both these debt capital raising transactions from MUDRA, and the IIV Mikrofinanzfonds on favourable terms are very positive developments from our liability management standpoint, especially in light of the current COVID-19 crisis. With the conclusion of these two transactions and our normal cash reserves, we have sufficient liquidity to manage temporary closures related to COVID-19. They are also a testament to our strong balance sheet, performance, and vintage. Our leverage position is comfortable, and our credit rating has remained stable at BBB+ (CARE Ratings). This capital has been raised at rates below our overall average borrowing cost, and hence will be NIM accretive. Furthermore, since these are relatively longer-tenure borrowings, they will also help in further improving our ALM position.

The transaction with IIV Mikrofinanzfonds is the first time that NAMRA has raised external commercial borrowing, and it opens up access to global debt capital markets for both "Arman" and "Namra". The borrowing from MUDRA also represents our first transaction with them and is the lowest interest rate received by company till date.

About Arman Financial Service Limited

Arman Financial Services Ltd (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 mostly in an unorganized and underserved segment of the economy, and mostly serves niche rural markets in Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Uttarakhand, and Rajasthan through its network of 223 branches and 70+ dealer touchpoints.

Arman's main differentiation, when compared to Banks and other NBFCs, comes from their extensive last-mile credit delivery network, bringing financial inclusion to a large subset of India's population. The Company provides financial services especially into interior areas where banks and NBFCs find it difficult to reach. For more information, please visit our web site www.armanindia.com.

For more information, contact



Vivek Modi, CFO
Arman Financial Services Ltd
Tel: +91 79 40507000
vivek@armanindia.com

DICKENSON

Mandar Kapse, Investor Relations
Dickenson World
Tel: +91 98675 50004
armanfinancial@dickensonworld.com

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