# 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 e-mail : finance@armanindia.com Web : www.armanindia.com CIN : L55910GJ1992PLC018623

Date: August 29, 2020

| | |
|---|---|
| To,<br>BSE Limited<br>P. J. Tower,<br>Dalal Street,<br>Mumbai–400001 | To,<br>National Stock Exchange of India Limited<br>"Exchange Plaza" C-1, Block G,<br>Bandra Kurla Complex,<br>Bandra, Mumbai- 400051 |
| **Script Code: 531179**<br>**ISIN: INE109C01017** | **Symbol: ARMANFIN**<br>**Series: EQ** |

Dear Sir,

**SUB: OUTCOME OF THE BOARD MEETING**

The Board of Directors of the Company in its Meeting held on August 29, 2020 has inter alia:

1. Approved the unaudited (standalone & consolidated) financial results of the Company for the quarter ended on June 30, 2020 along with Limited Review Report issued by the statutory auditors of the Company;

2. Approved the fund raising option through one or more Qualified Institutions Placement of equity shares, compulsory convertible debentures / other convertible securities / warrants or a combination thereof for an aggregate amount of Rs. 125 cr. subject to the approval of shareholders in the ensuing AGM and/or other regulatory / statutory approvals.

3. Fixed the date of 28th Annual General Meeting (AGM) as September 29, 2020 (through Video Conference / Other Audio Visual Mode).

4. Approved the Director's Report, Corporate Governance Report and AGM Notice.

5. E-voting for the purpose of AGM shall be activated from September 26, 2020 (9.00 a.m. IST) to September 28, 2020 (5.00 p.m. IST).

The Meeting conducted at 02.30 p.m. and concluded at 3:45 p.m.

Thanking you,

Yours faithfully,
**For, Arman Financial Services Limited**

ARMAN FINANCIAL SERVICES LIMITED ★ AHMEDABAD

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 Ph-079-40507000; E-mail: finance@armanindia.com; Website: www.armanindia.com

**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER YEAR ENDED ON JUNE 30, 2020**

(Rs. In Lakhs except per share data)

| Sr.No. | Particulars | Quarter Ended | | | Year Ended |
|---|---|---|---|---|---|
| | | 30.06.2020 | 31.03.2020 | 30.06.2019 | 31.03.2020 |
| | | Unudited | Refer Note-7 | Unudited | Audited |
| 1 | **Income from operations** | | | | |
| | a. Revenue from Operations | | | | |
| | i. Interest Income | 4,745.79 | 4,825.27 | 4,605.23 | 20,037.87 |
| | ii. Gain on assignment of financial assets | - | 450.33 | - | 450.33 |
| | iii. Fees and Commision income | 120.53 | 200.45 | 130.98 | 646.04 |
| | iv. Net Gain on Fair Value Changes of Investment Marked To Market | 39.41 | 5.45 | 42.08 | 16.46 |
| | **Total revenue from Operations** | **4,905.73** | **5,481.50** | **4,778.29** | **21,150.70** |
| | b. Other Income | 32.97 | 73.19 | 41.24 | 364.00 |
| | **Total Income** | **4,938.70** | **5,554.69** | **4,819.53** | **21,514.70** |
| 2 | **Expenses** | | | | |
| | a. Finance cost | 2,234.87 | 2,488.61 | 1,871.61 | 8,759.37 |
| | b. Impairment losses on financial assets | 1,024.43 | 1,193.14 | 148.05 | 2,000.85 |
| | c. Employees benefits expense | 829.88 | 1,062.74 | 800.63 | 3,645.68 |
| | d. Depreciation and amortisation expense | 20.73 | 21.02 | 15.85 | 79.84 |
| | e. Other expenses | 166.06 | 493.64 | 365.09 | 1,651.35 |
| | **Total Expenses** | **4,275.97** | **5,259.15** | **3,201.23** | **16,137.09** |
| 3 | **Profit / (Loss) before an Exceptional and Tax (1-2)** | **662.73** | **295.54** | **1,618.30** | **5,377.61** |
| 4 | Exceptional Items | - | - | - | - |
| 5 | **Profit / (Loss) before Tax (3 - 4)** | **662.73** | **295.54** | **1,618.30** | **5,377.61** |
| 6 | **Tax Expense (net)** | | | | |
| | - Current tax | 408.90 | 80.98 | 448.78 | 1,423.40 |
| | - Short / (excess) Provision of Income Tax of earlier years | - | (2.78) | - | (2.78) |
| | - Deffered tax liability / (asset) | (277.03) | (163.20) | (41.52) | (195.00) |
| | **Net Tax Expenses** | **131.87** | **-85.00** | **407.26** | **1,225.62** |
| 7 | **Profit for the period / year from continuing operations (5-6)** | **530.86** | **380.54** | **1,211.04** | **4,151.99** |
| 8 | **Profit / (loss) from discontinued operations** | - | - | - | - |
| 9 | **Tax expense of discontinued operations** | - | - | - | - |
| 10 | **Profit / (loss) from discontinued operations (after tax) (8-9)** | - | - | - | - |
| 11 | **Profit for the period / year (7+10)** | **530.86** | **380.54** | **1,211.04** | **4,151.99** |
| 12 | **Other comprehensive income / (loss)** | | | | |
| | (a) (i) Items that will not be reclassified to profit and loss | | | | |
| | - Remeasurement of Defined Benefit Obligations | (2.92) | (6.61) | (1.68) | (11.67) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | 0.73 | 1.64 | 0.49 | 2.94 |
| | **Sub Total (a)** | **(2.19)** | **(4.97)** | **(1.19)** | **(8.73)** |
| | (b) (i) Items that will be reclassified to profit and loss | | | | |
| | - Fair valuation gain / (loss) on financial instruments measured at FVOCI | (6.81) | 70.14 | (71.18) | 85.68 |
| | (ii) Income tax relating to items that will be reclassified to profit and loss | 1.71 | (20.30) | 20.73 | (24.29) |
| | **Sub Total (b)** | **(5.10)** | **49.84** | **(50.45)** | **61.39** |
| | **Net Other comprehensive income / (loss) (a)+(b)** | **(7.29)** | **44.87** | **(51.64)** | **52.66** |
| 13 | **Total Comprehensive Income** | **523.57** | **425.41** | **1,159.40** | **4,204.65** |
| | **Paid up Equity Share capital (face value of Rs. 10/-)** | **845.09** | **845.09** | **695.23** | **845.09** |
| 14 | **Earnings per share (of Rs. 10/- Each)(Not Annualised)** | | | | |
| | (a) Basic EPS | 6.28 | 5.11 | 17.42 | 55.80 |
| | (b) Diluted EPS | 6.26 | 5.09 | 13.73 | 55.54 |

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

**Notes**

1 The unaudited consolidated financial results of the Arman Financial Services Limited (the 'Parent') and its subsidiary (collectively referred to as the 'Group') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34. Interim Financial Reporting prescribed under Section 133 of the Companies Act. 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications / directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.

2 The unaudited consolidated financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at it's meeting held on August 29, 2020.

3 In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter ended June 30, 2020 has been earned out by the Statutory Auditors.

4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Group has offered Loan moratorium on the payment of all principal instalments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Group continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Group has excluded the moratorium period from the number of days past due for the purposes of asset classification as per the Company's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities and the responses of businesses and consumers, along with the associated impact on the global economy. The Group has been duly servicing it's debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run it's business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended March 31, 2020, the Group has, based on current available information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at June 30, 2020 aggregates Rs. 2973.37 lakhs (as at March 31, 2020 Rs. 1950.95 lakhs) which includes potential impact on account of the pandemic of Rs. 1035.57 lakhs for the quarter ended June 30, 2020. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition Asset Classification And Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Group exceeds the total provision required under IRACP (including standard assets provisioning), as at June 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

6 The Group is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.

7 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.

8 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

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

ARMAN FINANCIAL SERVICES LIMITED ★ AHMEDABAD

Jayendra Patel
Vice Chairman & Managing Director
DIN-00011814

Date: 29.08.2020
Place: Ahmedabad

Samir M. Shah & Associates

Samir M. Shah& Associates, Chartered Accountants
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**LIMITED REVIEW REPORT ON UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL RESULTS OF ARMAN FINANCIAL SERVICES LIMITED UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
TheBoard of Directors of
Arman Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Arman Financial Services Limited **(the 'Parent')** and its subsidiary **(the Parent and its subsidiary together referred to as the 'Group')** for the quarter ended June 30, 2020 **(the 'Statement'),** being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(the 'SEBI Listing Regulations').**

2. 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 Indian Accounting Standard 34 'Interim Financial Reporting' **('Ind AS 34'),** prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

| Name of the Company | Relationship |
|---|---|
| Namra Finance Limited | Wholly owned Subsidiary |

5. Attention is drawn to the fact that the figures for the three months ended March 31, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 8 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 Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Attention is drawn to Note No 4 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at June 30, 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, the extent to which the Covid-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain.

   Our conclusion on the Statement is not modified in respect of this matter.

8. Attention is drawn to Note No. 7 the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

9. We did not review the interim financial information of a subsidiary included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 3,334.28 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 266.19 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 264.87 lakhs, for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditor whose report has been furnished to us by management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of this matter.

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

Samir Shah

**(Samir M Shah)**
**Partner**
**[M. No. 111052]**
**UDIN:** 20111052AAAAMK9253

**Place: Ahmedabad**
**Date: 29.08.2020**

# ARMAN FINANCIAL SERVICES LIMITED

Reg. off: 502-503, SAKAR III, OPP. OLD HIGH COURT, AHMEDABAD-380014 GUJARAT
CIN:L55910GJ1992PLC018623 Ph-079-40507000; E-mail: finance@armanindia.com; Website: www.armanindia.com

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2020**

(Rs. In Lakhs except per share data)

| Sr.No. | Particulars | Quarter Ended | | | Year Ended |
|---|---|---|---|---|---|
| | | 30.06.2020 | 31.03.2020 | 30.06.2019 | 31.03.2020 |
| | | Unudited | Refer Note- 7 | Unudited | Audited |
| 1 | **Income from operations** | | | | |
| | a. Revenue from Operations | | | | |
| | i. Interest Income | 1,617.88 | 1,472.90 | 1,585.17 | 6,537.65 |
| | ii. Gain on Assignment of Financial Assets | - | 173.67 | - | 173.66 |
| | **Total revenue from Operations** | **1,617.88** | **1,646.57** | **1,585.17** | **6,711.31** |
| | b. Other Income | 65.73 | 68.38 | 31.40 | 298.86 |
| | **Total Income** | **1,683.61** | **1,714.95** | **1,616.57** | **7,010.17** |
| 2 | **Expenses** | | | | |
| | a. Finance cost | 531.30 | 605.10 | 486.51 | 2,202.74 |
| | b. Impairment on Financial Assets | 447.14 | 408.96 | 62.48 | 668.79 |
| | c. Employees benefits expense | 257.41 | 362.03 | 301.04 | 1,323.12 |
| | d. Depreciation and amortisation expense | 2.71 | 2.83 | 2.49 | 11.15 |
| | e. Other expenses | 48.46 | 154.93 | 125.83 | 521.76 |
| | **Total Expenses** | **1,287.02** | **1,533.85** | **978.35** | **4,727.56** |
| 3 | **Profit / (Loss) before an Exceptional and Tax (1-2)** | **396.59** | **181.10** | **638.22** | **2,282.61** |
| 4 | Exceptional Items | - | - | - | - |
| 5 | **Profit / (Loss) before Tax (3 - 4)** | **396.59** | **181.10** | **638.22** | **2,282.61** |
| 6 | **Tax Expense (net)** | | | | |
| | - Current tax | 199.00 | 31.09 | 160.13 | 516.10 |
| | - Short/ (excess) Provision of Income Tax of earlier years | - | 0.78 | - | 0.78 |
| | - Deffered tax liability / (asset) | (127.92) | (66.12) | (45.26) | (58.04) |
| | **Net Tax Expenses** | **71.08** | **(34.25)** | **114.87** | **458.84** |
| 7 | **Profit for the period / year from continuing operations (5-6)** | **325.51** | **215.35** | **523.35** | **1,823.77** |
| 8 | **Profit / (loss) from discontinued operations** | - | - | - | - |
| 9 | **Tax expense of discontinued operations** | - | - | - | - |
| 10 | **Profit / (loss) from discontinued operations (after tax) (8-9)** | - | - | - | - |
| 11 | **Profit for the period / year (7+10)** | **325.51** | **215.35** | **523.35** | **1,823.77** |
| 12 | **Other comprehensive income / (loss)** | | | | |
| | (a) (i) Items that will not be reclassified to profit and loss | | | | |
| | - Remeasurement of Defined Benefit Obligations | (1.22) | (1.80) | (1.02) | (4.87) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | 0.31 | 0.44 | 0.30 | 1.23 |
| | **Sub Total (a)** | **(0.91)** | **(1.36)** | **(0.72)** | **(3.64)** |
| | (b) (i) Items that will be reclassified to profit and loss | | | | |
| | - Fair valuation gain / (loss) on financial instruments measured at FVOCI | (6.75) | 40.04 | 33.35 | 46.05 |
| | (ii) Income tax relating to items that will be reclassified to profit and loss | 1.70 | (11.27) | (9.71) | - 12.81 |
| | **Sub Total (b)** | **(5.05)** | **28.77** | **23.64** | **33.24** |
| | **Net Other comprehensive income / (loss) (a)+(b)** | **(5.96)** | **27.41** | **22.92** | **29.60** |
| 13 | **Total Comprehensive Income** | **319.55** | **242.76** | **546.27** | **1,853.37** |
| | **Paid up Equity Share capital (face value of Rs. 10/-)** | **845.09** | **845.09** | **695.23** | **845.09** |
| 14 | **Earnings per share (of Rs. 10/- Each) (Not Annualised)** | | | | |
| | (a) Basic EPS | 3.85 | 2.89 | 7.53 | 24.51 |
| | (b) Diluted EPS | 3.84 | 2.88 | 6.00 | 24.39 |

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

**Notes**

1 The unaudited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34. Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications / directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.

2 The unaudited standalone financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at it's meeting held on August 29, 2020.

3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter ended June 30, 2020 has been earned out by the Statutory Auditors.

4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has offered Loan moratorium on the payment of all principal instalments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Company has excluded the moratorium period from the number of days past due for the purposes of asset classification as per the Company's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities and the responses of businesses and consumers, along with the associated impact on the global economy. The Company has been duly servicing it's debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run it's business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended March 31, 2020, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at June 30, 2020 aggregates Rs. 1056.18 lakhs (as at March 31, 2020 Rs. 611.10 lakhs) which includes potential impact on account of the pandemic of Rs. 463.06 lakhs for the quarter ended June 30, 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition Asset Classification And Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at June 30, 2020 and accordingly, no amount is required to be transferred to impairment reserve

6 The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

7 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter

8 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification

Date: 29.08.2020
Place: Ahmedabad

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

ARMAN FINANCIAL SERVICES LIMITED AHMEDABAD

Jayendra Patel
Vice Chairman & Managing Director
DIN-00011814

Samir M. Shah & Associates

**Samir M. Shah& Associates**, Chartered Accountants
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Phone No. +91-7622012032

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Gujarat - 380 015 (India)
E-Mail . samir@smshah.co.in
URL : www.smshah.co.in

**LIMITED REVIEW REPORT ON UNAUDITED QUARTERLY STANDALONE FINANCIAL RESULTS OF ARMAN FINANCIAL SERVICES LIMITED UNDER REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
TheBoard of Directors of
Arman Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Arman Financial Services Limited for the quarter ended June 30, 2020 **(the 'Statement').**

2. This Statement, which is the responsibility of the Company's management and approved by theBoard of Directors, has been prepared in accordance with the recognition and measurement principleslaid down in Indian Accounting Standard 34 'Interim Financial Reporting' **('Ind AS 34')**,prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generallyaccepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(the'SEBI Listing Regulations')**. Our responsibility is to issue a report on the Statement based on ourreview.

3. We conducted our review of the Statement in accordance with the Standard on ReviewEngagements (SRE) 2410 'Review of Interim Financial Information Performed by theIndependent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. Thisstandard requires that we plan and perform the review to obtain moderate assurance as to whetherthe Statement is free of material misstatement. A review is limited primarily to inquiries ofcompany personnel and analytical procedures applied to financial data and thus provides lessassurance than an audit. We have not performed an audit and accordingly, we do not expressan audit opinion.

4. Attention is drawn to Note No 4 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at June 30, 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, the extent to which the Covid-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain.

   Our conclusion on the Statement is not modified in respect of this matter.

5. Attention is drawn to Note No. 7 the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

SAMIR M. SHAH & ASSOCIATES
FRN 122577W
CHARTERED ACCOUNTANTS

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, 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 Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

**Place: Ahmedabad**
**Date: 29.08.2020**

Samir Shah

SAMIR M. SHAH & ASSOCIATES
PARTNER
FRN
122377W
CHARTERED ACCOUNTANTS

**(Samir M Shah)**
**Partner**
**[M. No. 111052]**
**UDIN:** 20111052AAAAMJ6828