



Arman Financial Services Limited

Registered Office: 502-503, SAKAR III, OPP. OLD HIGH COURT, OFF ASHRAM ROAD, AHMEDABAD-380014, GUJARAT, INDIA
PH.: +91-79-40507000, 27541989 E-mail: finance@armanindia.com CIN: L55910GJ1992PLC018623

Date: February 14, 2025

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/Madam,

SUB: PRESENTATION ON FINANCIAL PERFORMANCE

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and our previous letter dated February 14, 2025 vide which the Company has published the standalone / consolidated financial results for the quarter and period ended on December 31, 2024, we are enclosing a presentation on financial performance of the Company.

Kindly take it on your record.

Thanking you,

Yours faithfully,

For, Arman Financial Services Limited

Jaimish Patel
Company Secretary
M. No-A42244



Arman Financial Services Limited

Investor Presentation – February 2025





This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Arman Financial Services Ltd.** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.



Business Update

Page 4 - Page 7

About the Company

Page 8 - Page 14

**Presence in Attractive Retail
Lending Segments**

Page 15 - Page 22

Efficient Liability Management

Page 23 - Page 26

Strong Financial Performance

Page 27 - Page 40



Business Update



9M FY25 Performance Highlights



Rating Upgraded to A | stable outlook by Acuite Ratings in August 2024

Assets Under Management

INR 2,280 Crore

(-6.5% Y-o-Y)

Provisions and Write offs

INR 175 Crore

Cumulative Provisions stood at INR 138.9 Crore as on 31st December 2024
(covering 6.0% of the consolidated AUM, 7.7% on book)

Disbursement

INR 1,170 Crore

(-28.2% Y-o-Y)

Asset Quality

GNPA: 4.13%

NNPA: 0.67%

Shareholder's Equity

INR 859 Crore

CRAR: Arman (Standalone): 39.5%;
CRAR: Namra : 45.7%

Return Ratios[#]

ROAA: 2.13%

ROE: 6.20%

Profit Before Tax

INR 56 Crore

(-65.5% Y-o-Y)

Collection Efficiency

Steady 95.2% for 9M FY25

Profit After Tax

INR 39 Crore

(-68.0% Y-o-Y)

Active Customer Base

Approximately 7.7 Lakhs

Recent Fund Raises (1/2)



December – 2023

Company raised INR 230 crore via Qualified Institutional Placements of Equity Shares

Issue Details

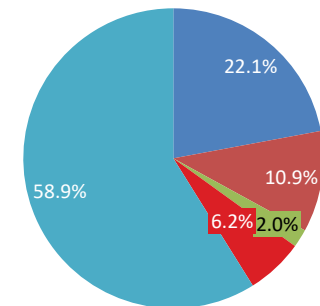
- **Size of QIP:** INR 230 Crores / 10,47,835 Shares
- **Fully Diluted Net Worth Post QIP (Q3:FY24 Balance Sheet):** 769.8 Crores
- The QIP saw interest from investors like Whiteoak, Sundaram Mutual Fund, UTI Mutual Fund, Kotak Life, amongst many others

September - 2022

Company raised INR 115 crore via allotment of CCDs and OCRPS which got fully converted in March 2024

- Allotment of 6,24,388 Unsecured Compulsorily Convertible Debentures (“CCDs”) on preferential basis to Investors
 - The total amount raised was approximately Rs. 76.8 crores.
 - Some of the marquee investors included fund(s) controlled by Singapore based Sixteenth Street Capital and USA based Seven Canyons Advisors.
 - Other investors included both domestic and foreign individuals.
 - Instruments has been converted in full as on March 2024.
- Allotment of 3,10,972 Optionally Convertible Redeemable Preference Shares (“OCRPS”) on preferential basis.
 - The total amount raised was approximately Rs. 38.2 crore.
 - The investors included a mix of individuals and family offices.
 - All the investors have exercised the option and the OCRPS have been converted as per scheme as on March 24

Shareholding Pattern as on 31st December 24, on Fully diluted basis



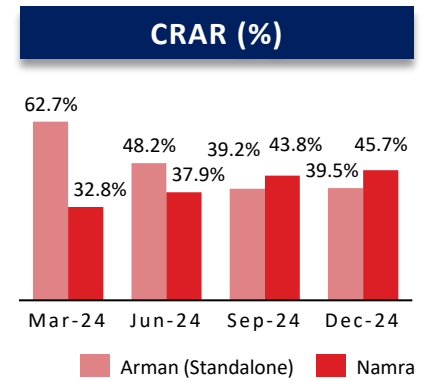
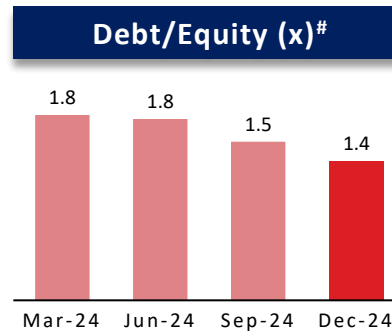
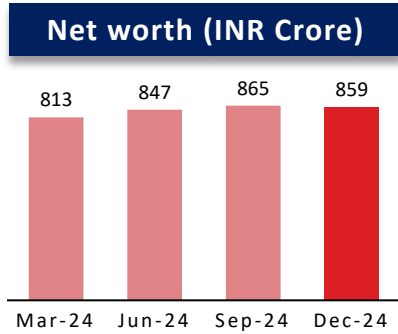
Total Shares Outstanding (Fully Diluted) : 1,04,90,538

The mix of Tier I & II equity capital will be used to fund the targeted growth plans of taking the organization to INR 5000+ crores with a healthy capital adequacy and debt-equity ratio by leveraging our presence in the MFI, MSME, Two-Wheeler, and other loan segments which will enables the company to achieve a sustained growth momentum in the coming few quarters.

Recent Fund Raises (2/2)



Calculated as per IND-AS



[#]After adjusting overdrafts (OD) from banks having 100% security against fixed deposits amounts to INR 68.1 Crore.

Shareholders' Funds	As on 31 st December 2024		As on 31 st March 2024	
	Amount (INR Crore)	No of shares	Amount (INR Crore)	No of shares*
Shareholders' Funds	858.8	1,04,90,538	812.7	1,04,76,774

*on fully diluted basis



About the Company



About Arman Financial Services



About the Company

- A **diversified NBFC** focusing on large under-served rural & semi-urban retail markets
- Founded in **1992** by Mr. Jayendra Patel in Ahmedabad
- Listed on **BSE in 1995** and on **NSE in 2016**
- Strong Management Team having a **combined experience of 100+ years** in the Lending Business

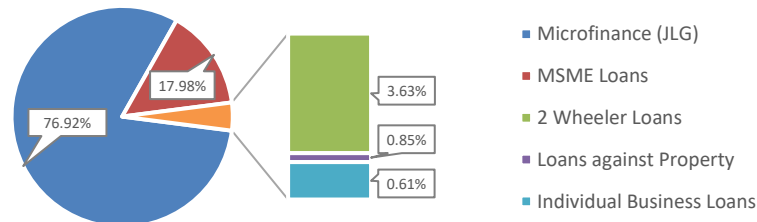
Strong Historical Financial Performance

- High-Growth Trajectory (**FY16-24 CAGR**):
 - AUM: **~41%**
 - Net Interest Income: **~41%**
 - PAT: **~47%**
- Consolidated debt to equity ratio as on 31st December 2024 of 1.35:1 – Sufficient Capital to drive growth going forward[#]

Efficient Liability Management

- Consistent rating upgrades backed by strong financial & operating performance
 - Namra & Arman credit rating upgraded to A (Stable Outlook) by ACUTE in August 2024.
 - Upgraded to A- (Stable Outlook) from BBB+ (Stable Outlook) by CARE Ratings for Arman and Namra in March 2024.
 - MFI-1 (MFI One) rating has been awarded to Namra Finance Limited, the wholly owned subsidiary offering microfinance loans
- Track record of consistent profitability- Never reported an annual loss
- Completely in-house operations with bottoms up driven credit appraisal models and rigorous collections practices

Presence in Attractive Retail Lending Segments – 9M FY25



486

Branches

167

Districts

11

States

~7.7 Lakh

Live Customers

50

Two-Wheeler dealerships

Positive ALM

Comfortable Liquidity Position

40+

Diversified Borrowing Profile & Relationship with Banks & FIs

Began operations in Gujarat and has continuously undertaken expansion since 2014 to achieve geographic diversifications

[#]After adjusting overdrafts (OD) from banks having 100% security against fixed deposits amounts to INR 68.1 Crore.

[^]Company's wholly owned subsidiary 'Namra Finance Limited' offers microfinance loans

Journey so Far



1992

- Company Incorporated
- Started bill discounting & Machine leasing

1995

- Listing on BSE – Issue subscribed 22x

1998

- Launched 2W Loans

2010

- Launched Microfinance business

2011

- Raised PE funding from Incofin
- Disbursement crosses INR 50 Crore

2019

- Disbursement crosses INR 750 Crore
- 100% Cashless disbursements
- Expanded into Rajasthan

2018

- Raised PE funding from SAIF Partners

2017

- Launched MSME Loans business
- Crosses 100 branches across 5 states & 3 products
- Disbursement crosses INR 500 Crore

2014-16

- Expanded to Maharashtra, MP, UP & Uttarakhand
- Listing on NSE

2013

- Demerged MFI operations into “Namra Finance”
- Disbursement crosses INR 100 Crore

2020

- Disbursement crosses INR 875 Crore

2021

- AUM crossed INR 1,000 Crore

2022

- Raised ~INR 115 Crore through allotment of CCDs and OCRPs on preferential basis
- Commenced operations in states of Haryana and Bihar

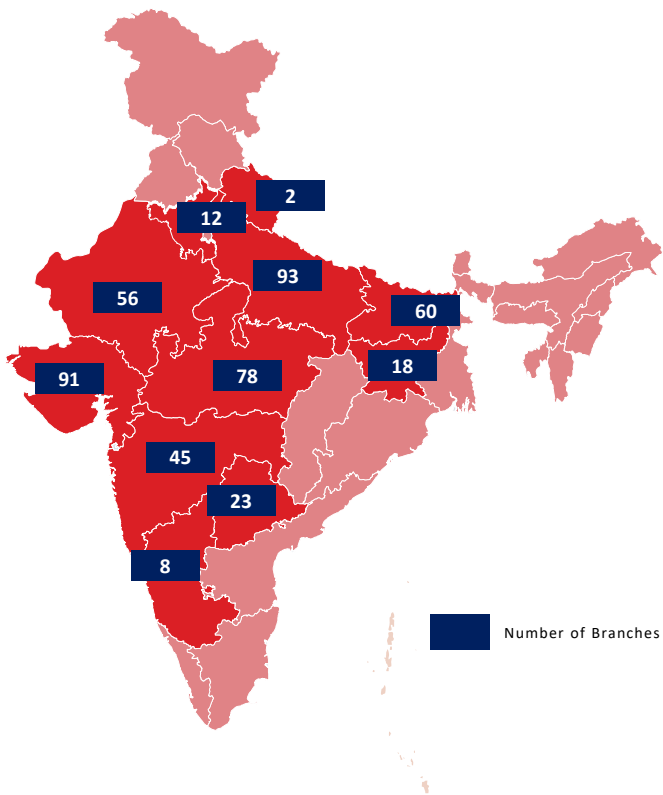
2023

- Namra Finance received CARE Ratings' highest MFI-1 grading
- Doubled the AUM to INR 2,000 Crore in 18 months
- Raised ~INR 230 Crore through QIP

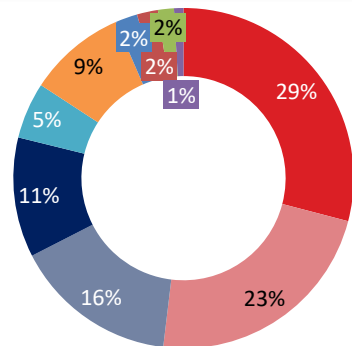
2024

- Namra & Arman upgraded to A | Stable by Acuite Ratings in August 2024
- Upgraded to A- (Stable Outlook) from BBB+ (Stable Outlook) by CARE Ratings for Arman and Namra in March 2024
- Crossed INR 2,500 Crore AUM mark in Feb-24.
- Entered new states of Telangana, Jharkhand and Karnataka

Geographical Footprint



Geographical AUM Mix (Consolidated)



- Gujarat
- Maharashtra
- Jharkhand
- Uttar Pradesh
- Bihar
- Others
- Madhya Pradesh
- Haryana
- Rajasthan
- Telangana

Number of Branches	9MFY25	9MFY24
Microfinance	392	315
MSME	90	75
2W & Rural 2W	4	4
Total	486	394

486

Branches

~7.7 Lakh

Active Customers

4,500+

No of Employees

3,200+

No of Loan Officers

After successful entry in states of Telangana and Jharkhand, the Company is now expanding its footprints to Karnataka

Strong Underwriting Measures by Leveraging Digital Transformation



Loan Management

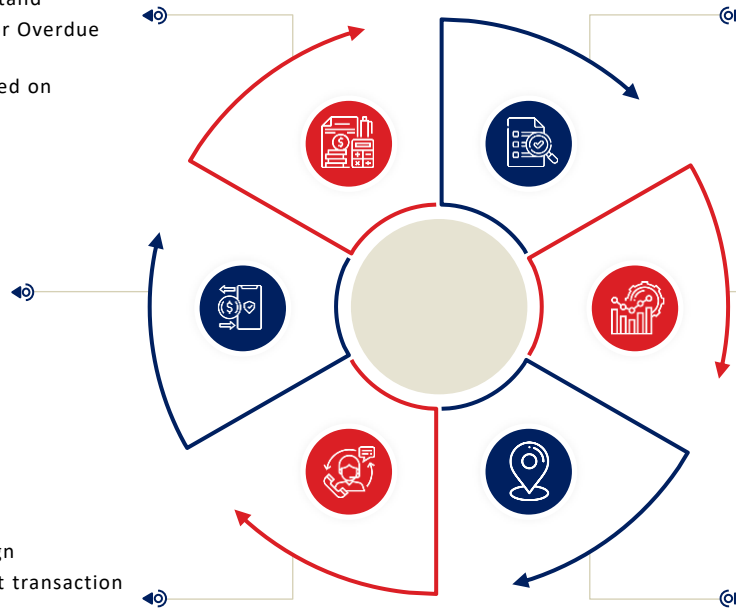
- Loan Utilization check
- Instant pre-closure and pre-settlement and its simulation for the customer to understand
- Hassle-free check in case of advance or Overdue collection
- Centre & Customer categorization based on repayment trends

Superior Collection

- Mobile-based collection at Point of transaction
- Customized UPI QR code to each customer facilitating them to Go Cashless
- An easy way out to Prepone and postpone the due dates in case of Holidays
- Instant acknowledgment SMS to the customer in vernacular languages

Customer Gain

- Paperless disbursement through eSign
- Providing intimation of each relevant transaction through SMS to every customer
- Tele-calling will happen through the system with a call recording facility
- Will develop customer facing app post implementation



Instant Verification Of Key Details

- The LOS* & LMS* System facilitates instant verification
- KYC Validation through OCR and face recognition
- Mobile No. verification through OTP
- Customer identity verification through UPI System
- Bank Account verification through "penny-drop"

Instant First-level Credit Assessment

- Immediate household-based credit assessment through Credit Bureau API integration and robust rule engine
- Algorithm based risk assessment
- Fully compliant with new RBI regulations for household income assessment
- Overlapping customers will be alerted by the system across products and divisions to avoid over indebtedness

Traceability

- Better customer traceability by 4D customer Verification, which includes geotagging (Latitude, Longitude), House Picture, auto address capture, and Mobile verification
- Centre Branch Geo fencing to avoid any slippages in the defined process
- Audit trail of each stage

~50% Reduction in TAT between sourcing documents and fund disbursement

Eminent Board of Directors



Alok N. Prasad *Chairman*

- A veteran banker with over 35 years of regulatory, banking and financial services experience, with Senior positions at RBI, NHB, and Citi Bank.
- He was the founder CEO of MFIN, the Industry Body and Self-Regulatory Organization (SRO) for Microfinance Institutions (MFIs) in India.
- He has served on a number of committees of the Ministry of Finance, Govt of India.

Jayendrabhai B. Patel *Vice Chairman & Managing Director*

- He has been an entrepreneur for 45 years. He was involved in a pharmacy business in a USA early in his career followed by running a textile start-up in Gujarat.
- He founded Arman in 1992 and has been at the helm of management since then.
- He is the founder member of the Gujarat Finance Companies Association and presently serves as Vice-Chairman of the Association.

Aalok J. Patel *Joint Managing Director*

- He has 16 years of banking and finance experience, including 12 years at Arman. Prior to Arman, he worked as an independent auditor at KPMG in US.
- He is a licensed Certified Public Accountant (CPA) from USA. He also has served as a visiting professor at HL College of Commerce and is a guest lecturer at IIM-A.
- He holds a Bachelor's in Accounting & Finance and Master's in Accountancy from Drake University, USA.

Yash K. Shah *Independent Director*

- He is a Chartered Accountant and currently a partner at DBS & Co.
- He is an expert in the fields of Mergers & Acquisitions and Valuations. Prior to DBS, he was at KPMG in the MA division.
- He has written various papers on Domestic Transfer Pricing and Cross Border Transactions and also given numerous lectures in the topic of M&A.

Ritaben J. Patel *Non-Executive Director*

- She holds Banking qualifications from First National Bank of Chicago, USA and has worked with various other USA banks like Golf Mill Bank and Morton Grove Bank in various capacities for more than a decade. She holds a B. A. in Economics.

Aakash J. Patel *Non-Executive Director*

- He has over 18 years of Information Technology, Computer Science, and business experiences. Currently, he works as a Manager- PMO for Bullhorn Inc.
- Prior to that, he worked at various other roles such as IT Consulting with Deloitte, software developer at Intellitools, and other companies such as Hewlett Packard, EMC Corporation, Softscape Inc and Sumtotals Systems.
- He holds a MBA from Bentley College, USA.

Pinakin S. Shah *Independent Director*

- An accomplished Company Secretary, Registered Valuer, and Insolvency Professional with 40 years of experience.
- He brings a unique blend of legal expertise and financial acumen to the boardroom. Spearheaded Gujarat Lease & Finance Limited (GLFL) for over 2 decades in various senior management roles like Company Secretary, Financial Controller and CEO. He has successfully navigated complex legal landscapes and delivered results in diverse industries

Geeta H. Solanki *Independent Director*

- She is a serial social entrepreneur in Women's health, hygiene, and social development.
- She co-founded a company for educating and providing women hygiene care to bottom of the pyramid customers.
- She received the 'Bharat Ki Laxmi' award from The Ministry of Women and Child Development, and also serves as an expert on numerous panels and summits on Women's hygiene.



Competitive Moat



Focus on **small ticket retail loans** to the **large under served informal segment** customer in rural & **semi urban geographies**



Diversifying products, geographies, sources of funds and delivering growth by increasing volumes rather than ticket sizes



Conservative operations framework with focus on risk & asset quality



Completely in house operations with bottom-up driven credit appraisal models and rigorous collections practices tailored for the areas of operations



Business model centered around conservative approach to high yielding assets to **deliver a sustainable ROA of 4-5%**



Presence in Attractive Retail Lending Segments



Product Offerings across Verticals



77%

Microfinance - JLG

Average Ticket Size :

INR 47,000

(Cycle 1 & 2 -INR 25k - 60k

Cycle 3+ -INR 25k – 75k)

Tenure: 18-24 Months

18.0%

MSME Loans

Average Ticket Size:

INR 80,000

Tenure: 24 Months

3.6%

Two-Wheeler Loans

Average Ticket Size:

INR 74,000

Tenure: 12-36 Months

0.9%

Loan Against Property (LAP)

Average Ticket Size:

INR 4,30,000

Tenure: 36-84 Months

0.6%

Individual Business Loans (Microfinance)

Average Ticket Size:

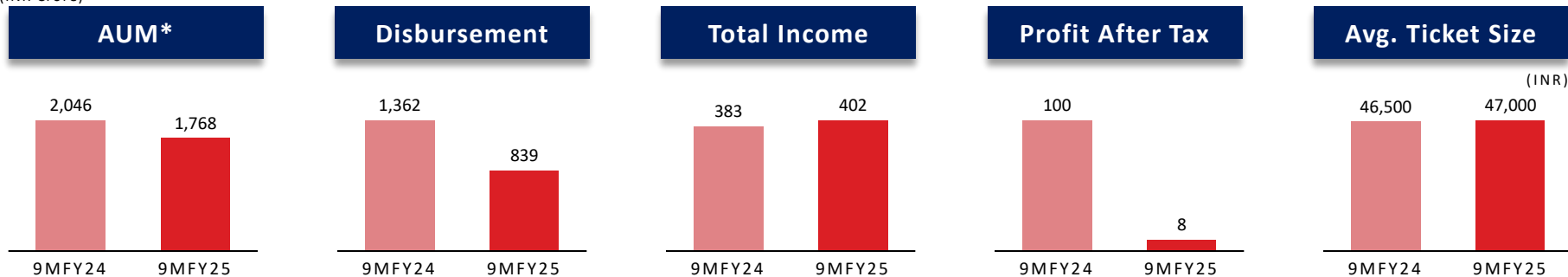
INR 82,500

Tenure: 24 Months

Microfinance Loans



(INR Crore)



*Includes Individual Business Loans

- JLG model with small ticket loans (Avg. Ticket Size – INR 47,000) given to women borrowers for income generating activities such as Livestock, Dairy, Agri allied, Kirana Stores
- **Operations:** Operations in 11 states; 392 MFI branches; ~6.56 lakh active customers
- **Operating Model:**
 - High touch monthly collection model
 - Rural concentration: ~89.98% rural & semi-urban portfolio (vs 75% for MFI industry)
 - Conservative risk framework
 - 100% Cashless disbursement
 - JLG groups formed by customers themselves
 - Loan utilization checks to ensure loan for income generating purpose
- Controlled growth targets driven by bottom-up projections. Tightened credit policy through implementation of SRO recommended guardrails of max number of lenders and borrower outstandings.

- **Disbursement:** 100% Cashless
- **Credit Check:** CRIF / Equifax Score; JLG Model with Training, Home Visit, Lifestyle Appraisal
- **Collections:** Cash collection at centre meetings. Increased focus on digital mode of collections with ~12% of the overall collections are now cashless.

Key Ratios (9MFY25)

***Yield: 23.1%**

***NIM: 12.6%**

ROAA: 0.54%

GNPA: 4.41%

NNPA: 0.56%

ROE: 1.74%

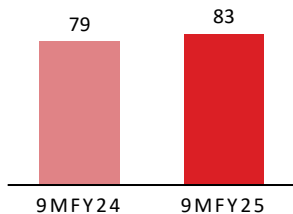
*Yield and NIMs are excluding DA income

2W and Rural 2W Loans

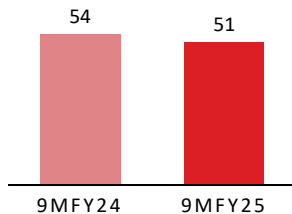


(INR Crore)

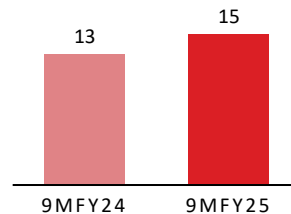
AUM



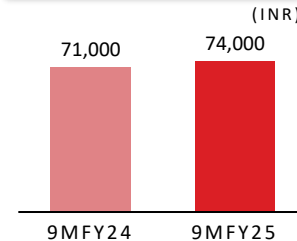
Disbursement



Total Income



Avg. Ticket Size



- Hypothecation (secured) loans given to self-employed /cash-salaried customer in the informal segment in semi-urban/rural areas for a 2W
- Currently operates only in Gujarat; across 50+ dealerships
- Operating in Tier 3-4 & below locations
- **Growth levers:**
 - Increase in finance penetration
 - Geographical & new product expansion
- **Arman 2W & Rural 2W operating model:**
 - Focus on **quick turn around time**
 - Excellent **relationships with local dealers.**
 - **In-house feet-on-street** model for **rigorous collections**

- **Disbursement:** 100% Cashless
- **Credit Checks:** CIBIL & CRIF Score; Home & Business Field Investigation
- **Collections:** E-Nach and other digital modes for 2W, doorstep cash collection rural 2W

Key Ratios (9MFY25)

***Yield: 25.2%**

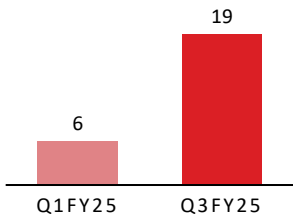
GNPA: 4.03%

NNPA: 1.47%

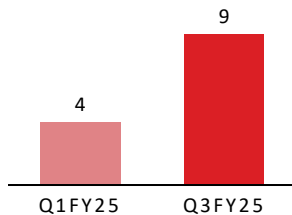


(INR Crore)

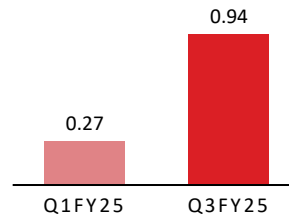
AUM



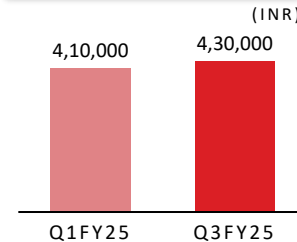
Disbursement



Total Income



Avg. Ticket Size



- Company launched and piloted a new product, Loan Against Property in Q4 FY24.
- AUM contribution as on Dec-24 is ~0.9%.
- The average ticket size of this product is INR 4,30,000, with a tenure ranging from 36 to 84 months
- Currently operates in Gujarat; Telangana, Madhya Pradesh across 19 branches
- Operating in Tier 3-4 & below locations; key growth driver going forward
- **Growth levers:**
 - Increase in finance penetration
 - Geographical & new product expansion

- **Disbursement:** 100% Cashless
- **Credit Checks:** CIBIL & CRIF Score; Home & Business Field Investigation, detailed cash flow assessment, property's technical valuation and title investigation
- **Collections:** E-Nach and other digital modes

Key Ratios (9MFY25)

***Yield: 24.6%**

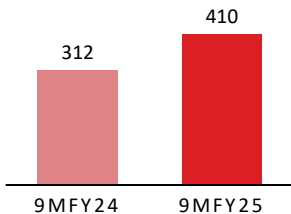
GNPA: 0.0%

NNPA: 0.0%

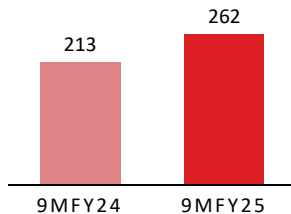


(INR Crore)

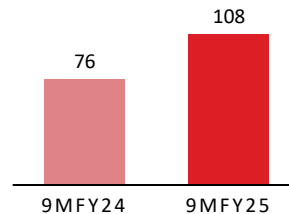
AUM



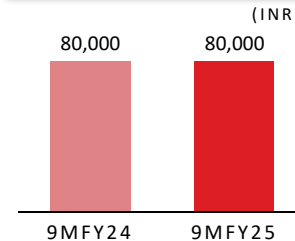
Disbursement



Total Income



Avg. Ticket Size



- Individual enterprise /working capital loans for small rural businesses in low competition areas
- Currently operates across 5 states – Gujarat, MP, Maharashtra, Rajasthan & Telangana with 90 branches
- **Arman MSME operating model:**
 - **Dual credit bureau check** for both customer and spouse on CRIF (for MFI loans) and CIBIL (for non -MFI loans)
 - **High-touch monthly cash collection model**
 - **Cash Flow assessment** using tailored appraisal techniques
 - **Locally drawn field force** with personal knowledge of the market
 - **In-house teams** for pre-lending field investigations and appraisals with **centralized final credit approval**
- **Highest ROA product at Arman;** focus on growing this business over time
- Focus on quality underwriting & rigorous collections to ensure asset quality

- **Disbursement:** 100% Cashless
- **Credit Checks:** CIBIL & CRIF Score; Detailed Cash Flow Assessment; Home & Business Field Investigation
- **Collections:** Doorstep cash collection. Increased focus on digital mode with ~20% cashless collections

Key Ratios (9MFY25)

***Yield: 37.0%**

GNPA: 3.43%

NNPA: 0.90%



MSME Process Overview

Sourcing



- In-house sourcing team (No DSAs)
- Feet-on-Street sales team model
- Door-to-door knocking & cold calling
- BTL activities such as pamphlet distribution, stalls at village level gatherings
- Referrals from existing customers

“Sales team logs in the case & collects KYC docs”

Underwriting



- Credit bureau check (CRIF & CIBIL)
- Physical FI & PD by in house credit manager at residence & workplace
- Capacity to Pay Use of nontraditional income & expense estimation methodologies
- Willingness to pay reference checks
- Final sanction by centralized credit team

“Trigger sent to independent credit team for FI”

Collections



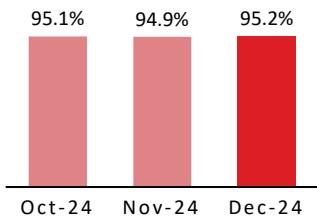
- Team member that does sales also handles collections
- Door to door collection allows Company to maintain relations with customer and ensures high collection efficiency
- Monthly collections high touch, relationship driven model
- Approximately 20% of the collections are done via digital mode

“Door-step cash collection”

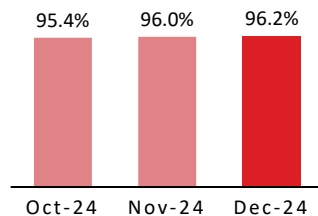
Collection Efficiency



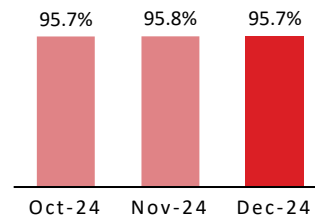
Microfinance



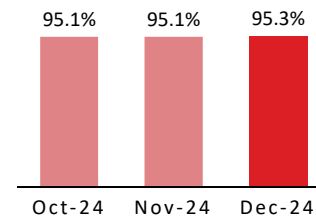
MSME



Two-Wheeler



Total



Update on Collections

- The collections in MFI has been dropping in the past few quarters as the MFI sector across has witnessed challenges of high staff attrition and overleveraging at borrower level.
 - Microfinance and MSME collections were at ~95.2% and ~96.2% in December-24
 - 2W collections continued to be ~95.7% in December-24
- Cumulative Provisions stood at INR 138.94 Crore as on 31st December 2024 (covering 6.09% of the consolidated AUM, 7.68% on book)
 - Namra Finance: Cumulative Provisions stood at INR 113.25 Crore as on 31st December 2024 (covering 6.41% of the consolidated AUM, 8.69% on book)
 - Standalone: Cumulative Provisions stood at INR 25.69 Crore as on 31st December 2024 (covering 5.21% of the consolidated AUM, 5.27% on book)

Particulars (INR Crore)		Microfinance	MSME	Two-Wheeler	Total
Oct-24	Collection Due	186	39	5	229
	Amount Collected	177	37	4	218
Nov-24	Collection Due	181	38	5	225
	Amount Collected	172	37	5	214
Dec-24	Collection Due	178	39	5	221
	Amount Collected	169	37	5	211



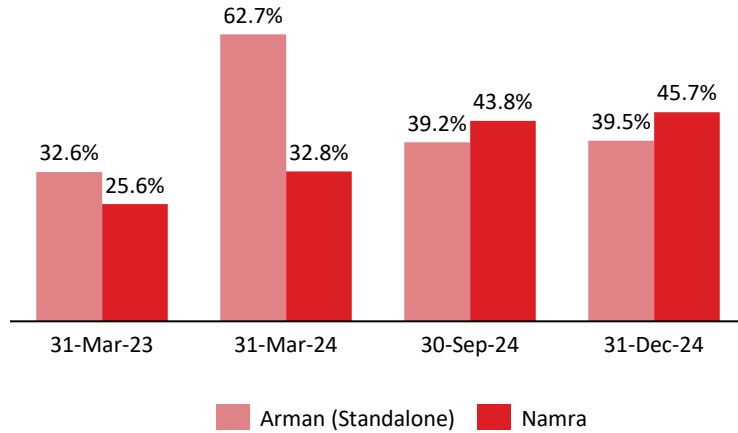
Efficient Liability Management



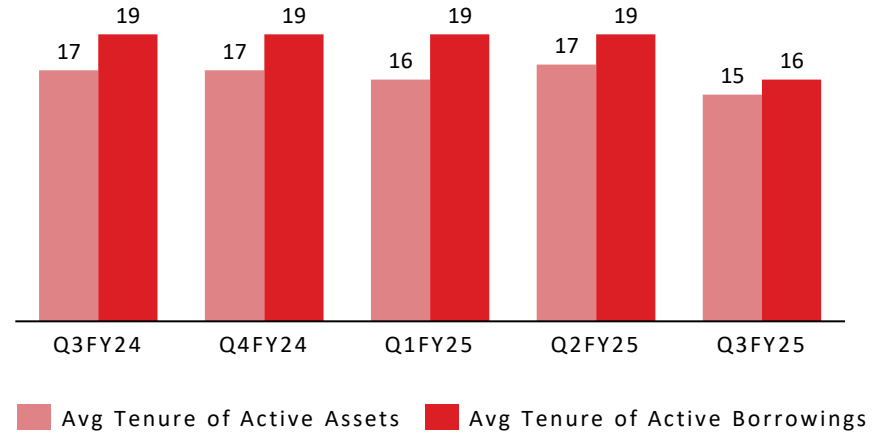
Strong Capitalization with Sufficient Liquidity



Capital Adequacy Ratio



ALM Position (in Months)



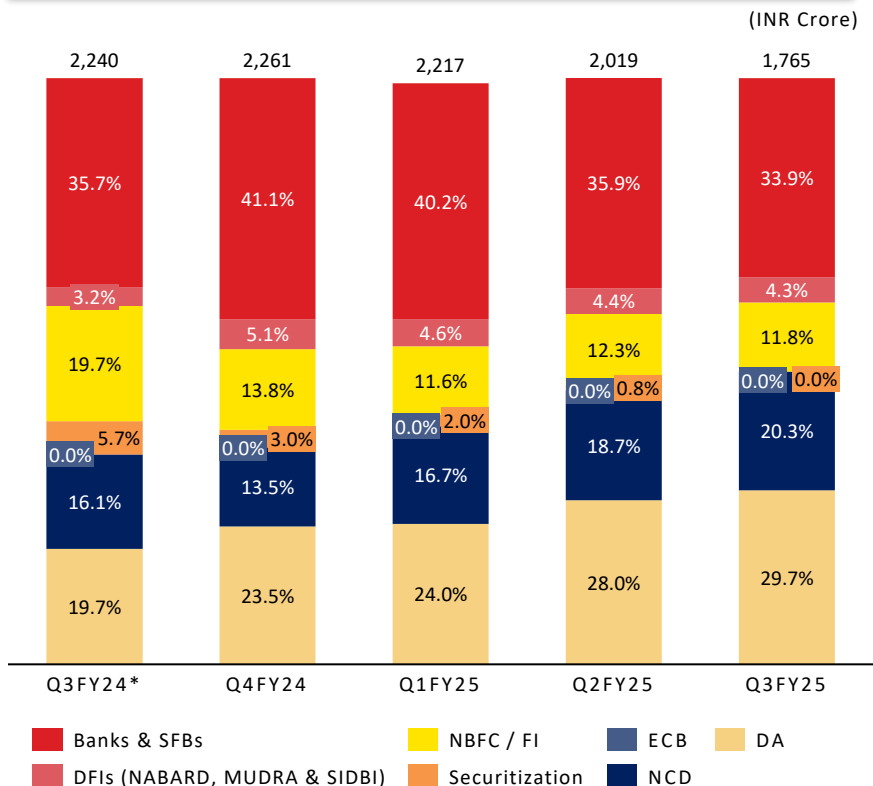
Update on Liquidity

- Healthy Liquidity position with INR 262.3 Crore in cash/bank balance, liquid investments, and undrawn CC limits
- ALM continues to remain positive, and the company continue to have access to new sources of funds via DA and NCDs
- Additionally, company has INR 120.0 Crore undrawn sanctions from existing lenders
- The average Tenures of assets has reduced due to the de-growth seen in Microfinance in current year, as result there has been a reduced borrowing requirement.

Borrowing Profile



Borrowing Mix (%)



Top 5 Lending Partners

Top 5 Lenders	% of Borrowings
Lender 1 - TL & DA	12.94%
Lender 2 - DA	9.07%
Lender 3 - TL & DA	5.55%
Lender 4 - NCD	5.05%
Lender 5 - NCD	5.05%

Credit Rating

Credit Rating	ACUITE	CARE
Long Term Bank Facilities	Upgraded to ACUITE A Stable Outlook	-
Non-Convertible Debentures		CARE A-Stable Outlook

Namra Finance Limited is assigned 'MFI-1' (MFI One) grading by CARE Advisory Research & Training Limited.

Lending Partnerships



Bank Borrowings



Non-Bank Borrowings



Securitization Partners



NCDs & ECB



The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only



Financial Performance



9M FY25 Consolidated Profit & Loss Statement



Particulars (INR Crore)	Q3 FY25	Q3 FY24	YoY %	Q2 FY25	QoQ%	9M FY25	9M FY24	YoY %
Income from Operations	164.8	168.8		181.5		530.7	478.6	
Other Income	0.0	0.0		0.0		0.0	0	
Gross Total Income	164.8	168.8	-2%	181.5	-9%	530.7	478.6	11%
Finance Costs	57.0	71.2		65.3		187.6	202.5	
Net Total Income (NTI)	107.8	97.6	10%	116.2	-7%	343.1	276.1	24%
Employee Benefits Expenses	28.0	17.9		27.3		80.1	50.2	
Depreciation and Amortisation	0.5	0.4		0.4		1.3	1.0	
Other Expenses	10.3	6.8		10.9		30.1	19.8	
Pre-Provision Operating Profit	69.1	72.5	-5%	77.6	-11%	231.6	205.1	13%
Total Provisions & Write-offs	76.0	17.3		55.3		175.1	41.6	
Profit Before Tax	-6.9	55.2	-112%	22.3	-131%	56.4	163.5	-65%
Profit After tax	-7.3	42.0	-117%	15.3	-148%	39.3	122.8	-68%

Balance Sheet – 31st December 2024



Particulars (INR Crore)	Consolidated		Standalone	
	Dec-24	Mar-24	Dec-24	Mar-24
ASSETS				
Financial Assets				
Cash and cash equivalents	68.9	118.6	3.0	69.5
Bank Balance	345.2	406.1	68.4	69.8
Loans & Advances	1644.7	2032.9	469.4	406.8
Investments	24.4	7.1	368.0	281.1
Other Financial assets	33.5	41.0	5.1	12.7
Total Financial Assets	2,116.7	2,605.8	913.8	840.0
Non-Financial Assets				
Current tax Assets (Net)	0.0	0.0	0.0	0.5
Deferred tax Assets (Net)	31.7	19.2	6.4	4.1
Property, Plant and Equipment	29.9	6.0	25.3	1.7
Other Intangible Assets	0.3	0.3	0.1	0.1
Right To Use Asset	1.0	1.4	0.0	0.0
Other non-financial assets	2.6	2.5	1.4	1.7
Total Non-Financial Assets	65.5	29.3	33.2	8.2
Total Assets	2,182.2	2,635.1	947.1	848.1

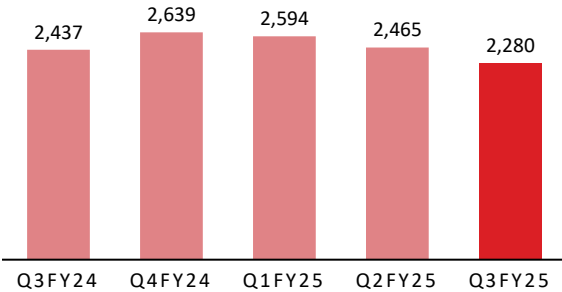
Particulars (INR Crore)	Consolidated		Standalone	
	Dec-24	Mar-24	Dec-24	Mar-24
LIABILITIES & EQUITY				
Equity Share capital	10.5	10.5	10.5	10.5
Reserves & Surplus	848.3	802.2	560.9	524.4
Total Shareholders' Funds	858.8	812.7	571.4	534.9
Financial Liabilities				
Other Payables	0.7	2.0	0.1	0.4
Debt Securities	353.3	302.4	144.0	167.5
Borrowings	864.7	1,397.6	215.1	118.6
Subordinated Liabilities	10.0	25.0	0.0	5.0
Other Financial Liabilities	77.8	81.3	7.5	14.1
Total Financial Liabilities	1,306.5	1,808.2	366.7	305.5
Non-Financial Liabilities				
Current tax liabilities (Net)	11.5	7.2	4.9	0.0
Provisions	3.1	2.6	1.0	0.8
Other non-financial liabilities	2.3	4.4	3.1	6.9
Total Non-Financial Liabilities	16.8	14.2	8.9	7.7
Total Liabilities & Equity	2,182.2	2,635.1	947.1	848.1

Consolidated Business Performance

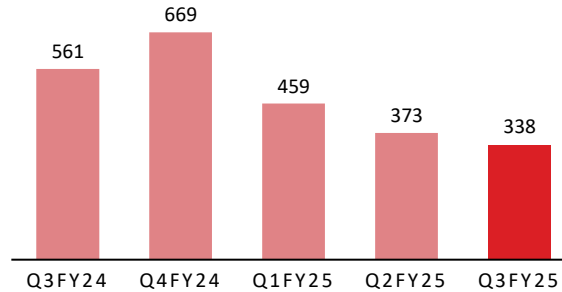


(INR Crore)

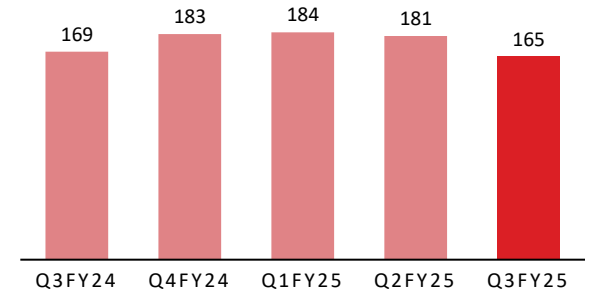
AUM



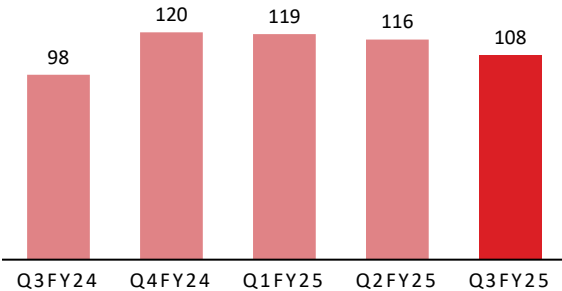
Disbursement



Gross Total Income



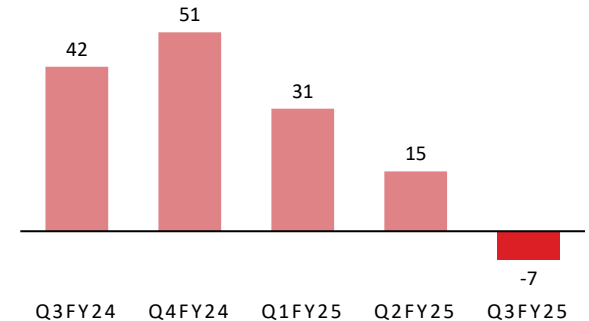
Net Total Income



Pre-provision Operating Profit



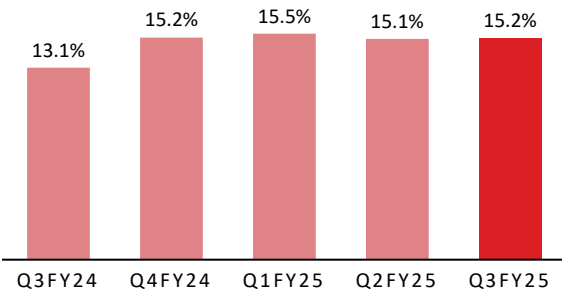
Profit / Loss After Tax



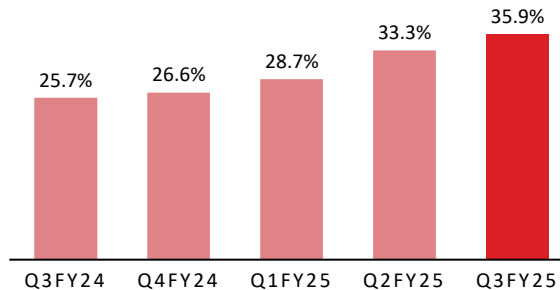
Consolidated Business Performance



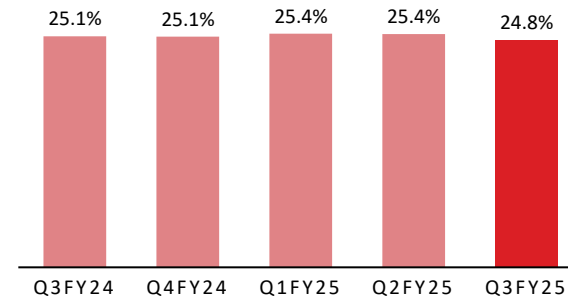
Net Interest Margin (%)



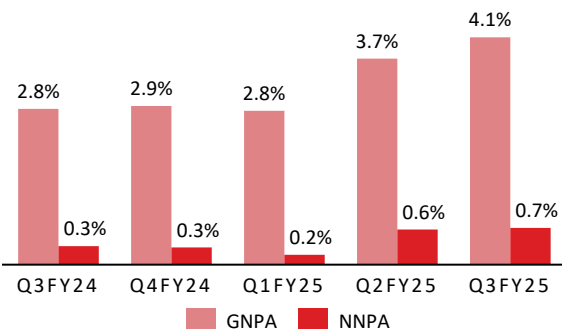
Cost to Income Ratio (%)



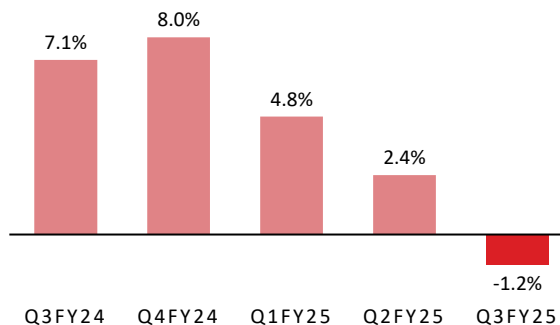
Yield (%)



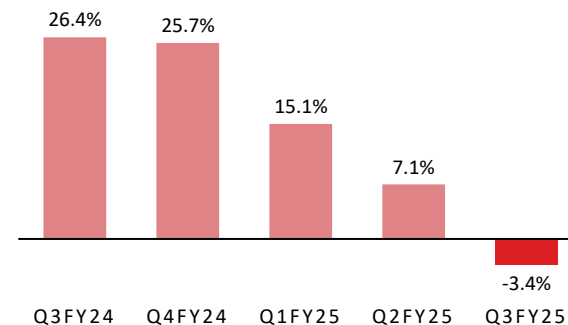
Asset Quality (%)



Return on Average AUM (%)



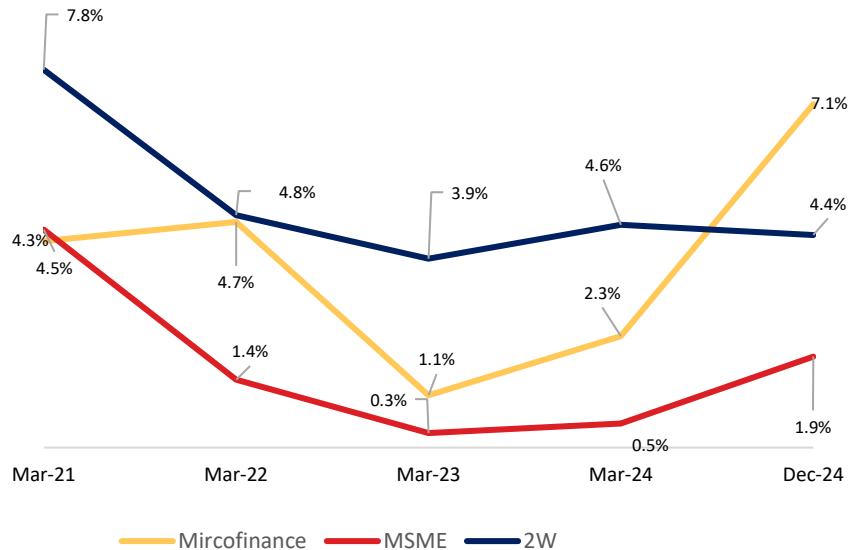
Return on Equity (%)



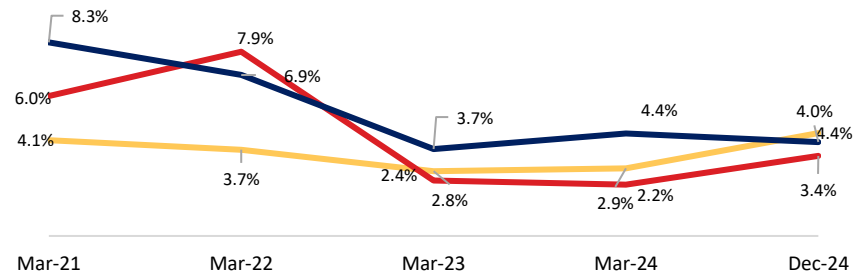
PAR Movement



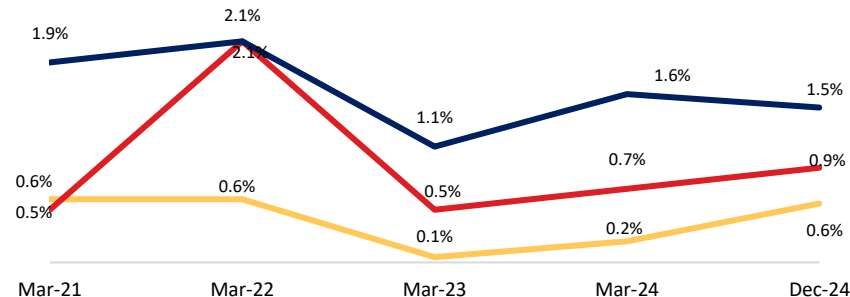
PAR 31-90 (%) Movement



GNPA (%)



NNPA (%)



- The microfinance industry is currently facing a significant rise in impairment costs due to overleveraging in the rural retail unsecured lending space, involving both MFIs and Non-MFIs. This overleveraging has strained borrowers' repayment capacities, leading to increased delinquencies and higher default rates. High attrition rates among ground-level staff across the industry have also impacted collection efficiency
- The PAR 31-90 has shown an upward trend in 9MFY25. Company continues to monitor the increase aggressively.

9M FY25 – Standalone P&L Statement (2W, MSME & LAP)



Particulars (INR Crore)	Q3 FY25	Q3 FY24	YoY %	Q2 FY25	QoQ%	9M FY25	9M FY24	YoY %
Income from Operations	45.0	32.6		44.1		131.3	95.8	
Other Income	-0.1	1.3		-1.0		-0.8	3.1	
Gross Total Income	44.9	33.9	32%	43.1	4%	130.5	98.9	32%
Finance Costs	10.5	12.3		11.8		31.7	35.0	
Net Total Income (NTI)	34.4	21.6	59%	31.4	10%	98.8	63.9	55%
Employee Benefits Expenses	9.1	6.2		9.1		26.8	17.6	
Depreciation and Amortisation	0.1	0.0		0.1		0.3	0.1	
Other Expenses	3.3	2.3		3.3		9.5	6.7	
Pre-Provision Operating Profit	21.9	13.1	67%	18.9	16%	62.2	39.4	58%
Total Provisions & Write-offs	8.4	2.1		7.7		21.5	4.8	
Profit Before Tax	13.5	11.0	22%	11.1	21%	40.8	34.7	18%
Profit After tax	9.9	9.3	6%	7.9	25%	30.4	26.3	16%

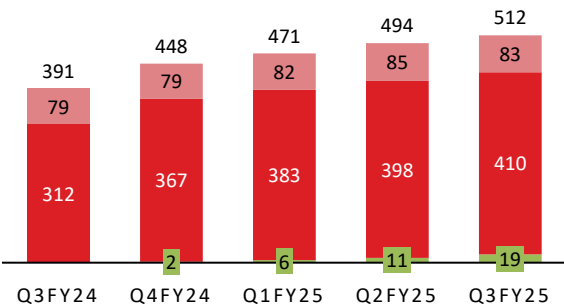
- Standalone AUM stood at ~INR 512 as on 31st December 2024
- Disbursement of ~INR 124 Crore in Q3FY25; of which MSME contributed ~INR 91 Crore, 2W contributed ~INR 25 Crore, while LAP stood at ~INR 9 Crore.
- As on 31st December 2024, GNPA for the MSME business stood at 3.43% and for 2W business stood at 4.03%
- Standalone: Cumulative Provisions stood at INR 25.69 Crore as on 31st December 2024 (covering 5.01% of the AUM, 5.07% on-book)
- Q3 FY25, Pre-Provisioning Operating Profit has grown by 67% Y-o-Y to Rs. 21.9 Crore in Q3FY25
- Q3 FY25, Profit after tax stood at ~INR 9.9 Crore in Q3FY25

Standalone Business Performance

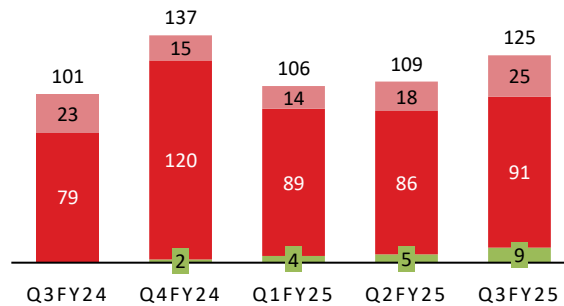


(INR Crore)

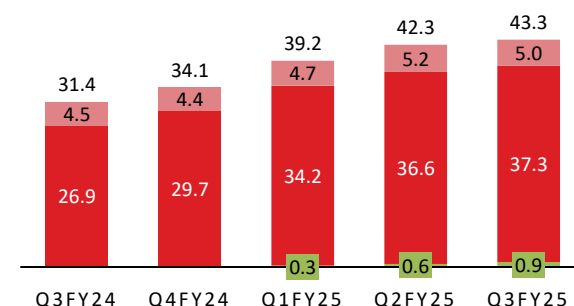
AUM



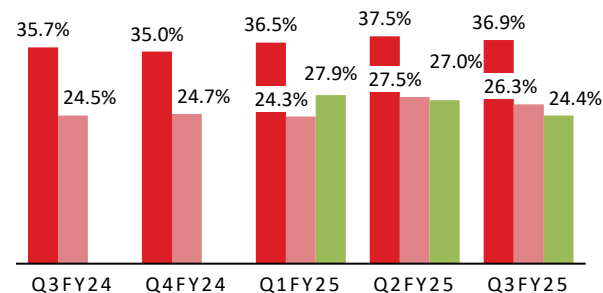
Disbursement



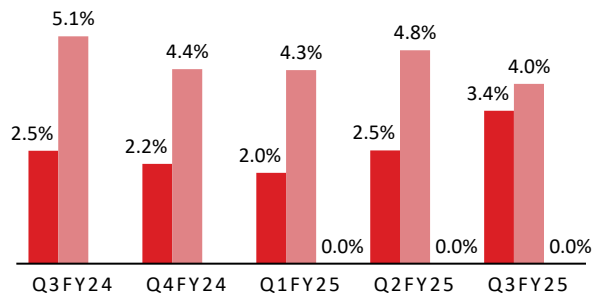
Gross Total Income*



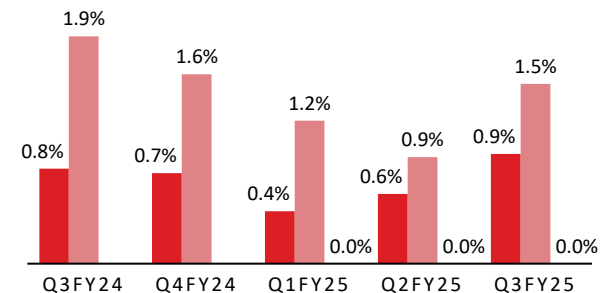
Yield (%)



Gross NPA (%)



Net NPA (%)



Two Wheeler Loans MSME LAP

Note: Yield is calculated excluding DA income.

*Inclusive of Two-wheeler, MSME loans and LAP and exclusive of treasury income

9M FY25 - Namra Finance Profit & Loss Statement



Particulars (INR Crore)	Q3 FY25	Q3 FY24	YoY %	Q2 FY25	QoQ%	9M FY25	9M FY24	YoY %
Income from Operations	120.9	136.2		138.0		402.1	383.1	
Other Income	0.0	0.0		0.0		0.0	0.0	
Gross Total Income	120.9	136.2	-12%	138.0	-11%	402.1	383.1	5%
Finance Costs	47.6	58.9		54.1		158.6	167.9	
Net Total Income (NTI)	73.3	77.3	-13%	83.9	-5%	243.5	215.3	13%
Employee Benefits Expenses	18.8	11.8		18.1		53.3	32.5	
Depreciation and Amortisation	0.4	0.3		0.3		1.0	0.9	
Other Expenses	7.0	4.5		7.7		20.6	13.1	
Pre-Provision Operating Profit	47.1	60.7	-18%	57.7	-22%	168.5	168.7	0%
Total Provisions & Write-offs	67.5	15.2		47.5		153.7	36.8	
Profit Before Tax	-20.5	45.4	-301%	10.2	-145%	14.8	131.9	-89%
Profit After tax	-17.2	34.0	-371%	6.4	-151%	8.1	99.6	-92%

- Over the years we have steadily expanded and deepened our MFI presence through our wholly owned subsidiary, Namra Finance. This involves entering new geographies, increasing the number of branches, and enhancing our outreach to underserved communities
- As of December 31, 2024, Namra's AUM stands at ~INR 1,768 Crore
- Disbursements for Q3FY25 amounted to ~INR 214 Crore
- During Q3FY25, Gross Total Income stood at ~INR 121 Crore and Net Total Income reached to ~INR 73 Crore
- In Q3 FY25, Profit After Tax stood at ~INR -17 Crore
- Provisions increased by 73.47% YoY to INR 113.25 Crore
- Write off (net of recovery) during the quarter stood at INR 45.44 Crore. We have continued an aggressive write off and provisioning policy.
- Active MFI Customers stood at ~6.56 lakh.

Income from Operations includes Interest Income on loans and managed assets; processing fees, other charges in respect of loans and treasury income

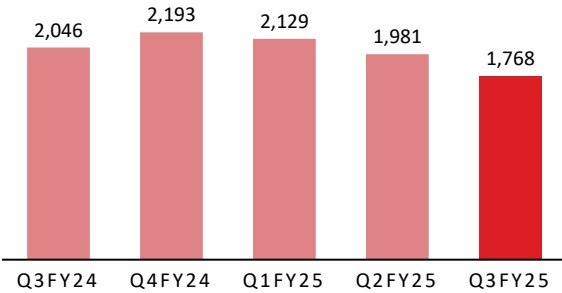
Company's wholly owned subsidiary 'Namra Finance Limited' offers microfinance to women

Microfinance Business Performance – Namra Finance (1/2)

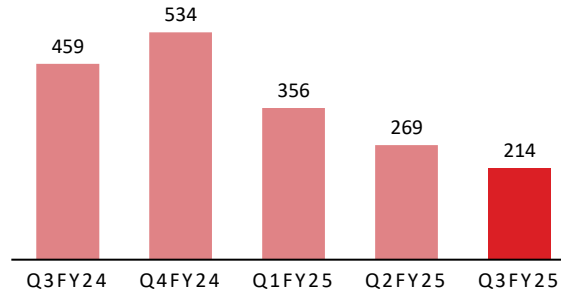


(INR Crore)

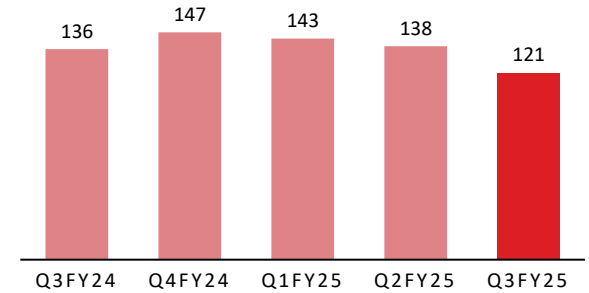
AUM



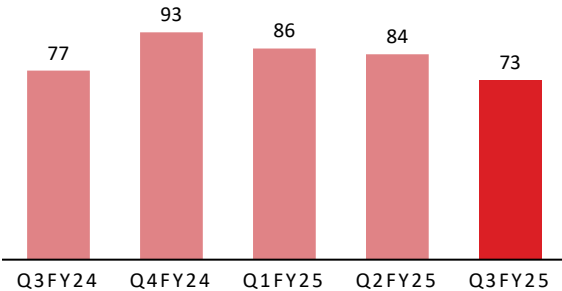
Disbursement



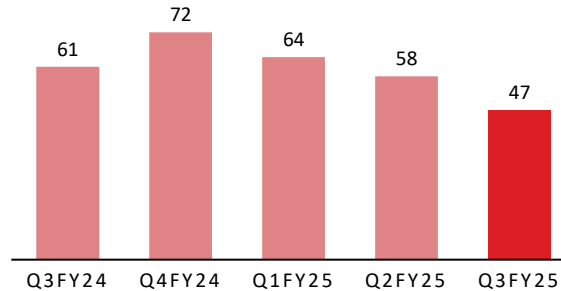
Gross Total Income



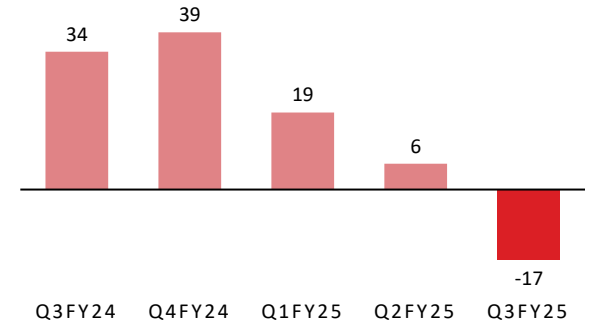
Net Total Income



Pre-provision Operating Profit



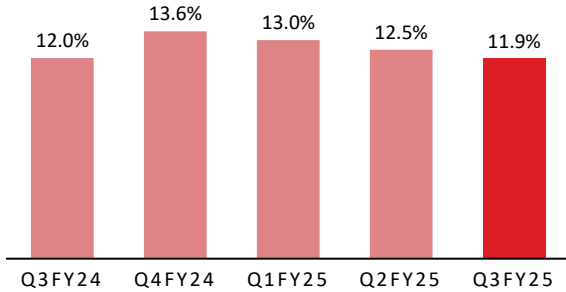
Profit / Loss After Tax



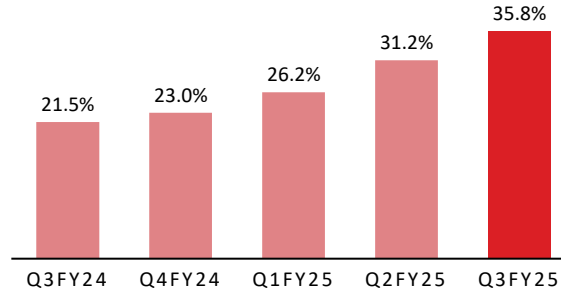
Microfinance Business Performance – Namra Finance (2/2)



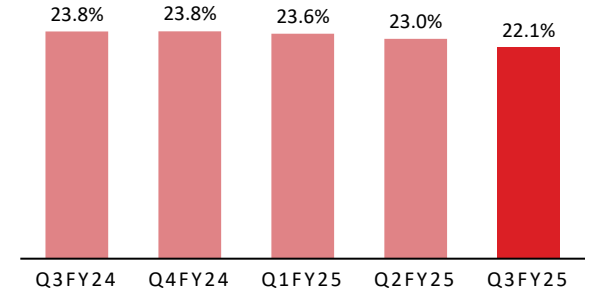
Net Interest Margin (%)



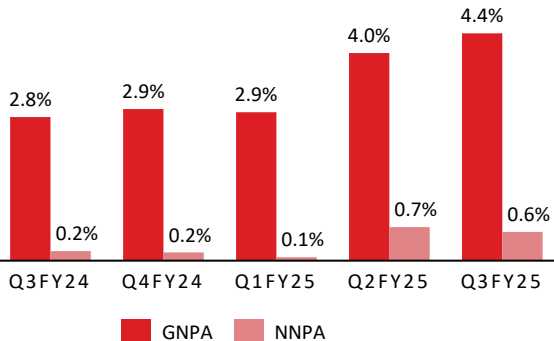
Cost to Income Ratio (%)



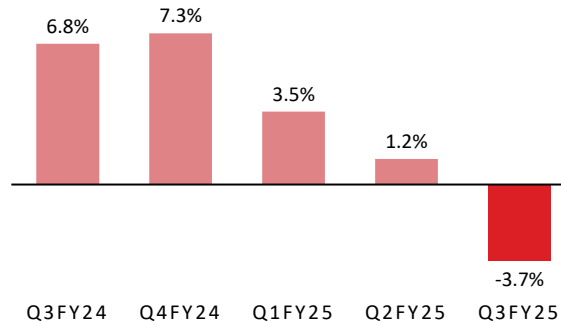
Yield (%)



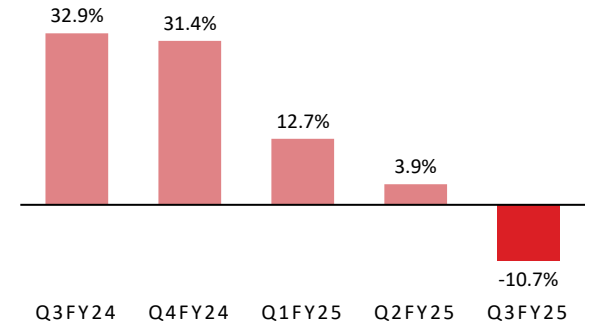
Asset Quality (%)



Return on Average AUM (%)



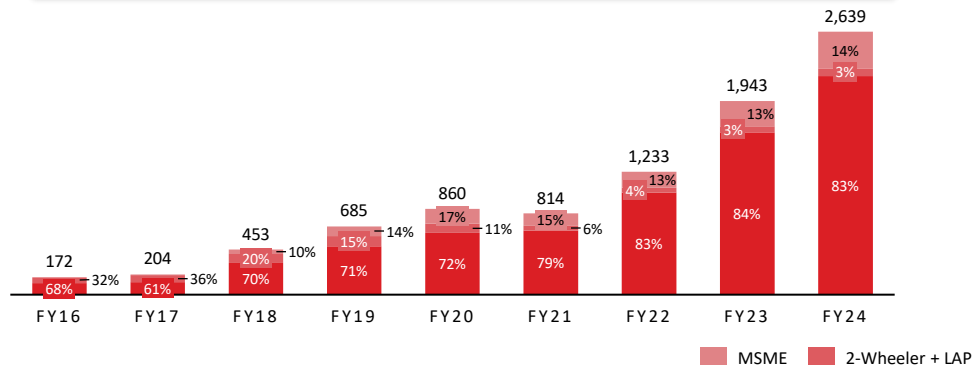
Return on Equity (%)



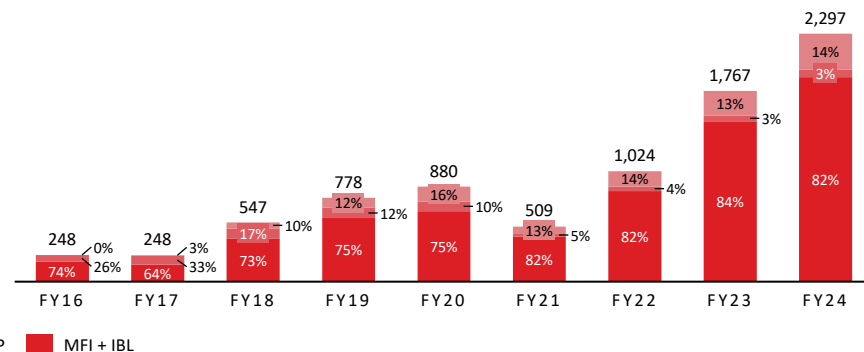
AUM and Disbursements Trends



Total AUM (INR Crore)



Total Disbursements (INR Crore)



- Diversified portfolio of **INR 2,280 Crore in 9M FY25** split between –
 - **Microfinance:** INR 1,754 Crore (76.9%),
 - **MSME Loans:** INR 410 Crore (18.0%),
 - **2-Wheeler Loans:** INR 83 Crore (3.6%),
 - **Loan Against Property:** INR 19 Crore (0.9%)
 - **Individual Business Loans:** INR 16 Crore (0.6%)
- Strategically forayed into MSME Loans in 2017
- Further, launched a new products Rural 2-wheeler loans, individual business loan and LAP loans (currently in pilot stage) to effectively meet the under-served market.

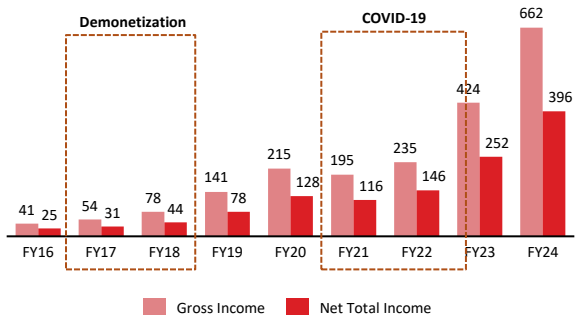
- Small ticket unsecured loans - Ticket size INR 30,000 – 3,00,000
- Venturing secured LAP market from 3,00,000 to 20,00,000. Average Ticket Size – 4,30,000
- Self-employed / cash cash-income informal segment customers
- Plans to expand SME Portfolio in way that share of SME book increases to 35% and share of MFI Book reduces to ~60% over time.
- Stringent underwriting
- Rigorous collections practices – in-house, feet feet-on -street mode

Historical Metrics

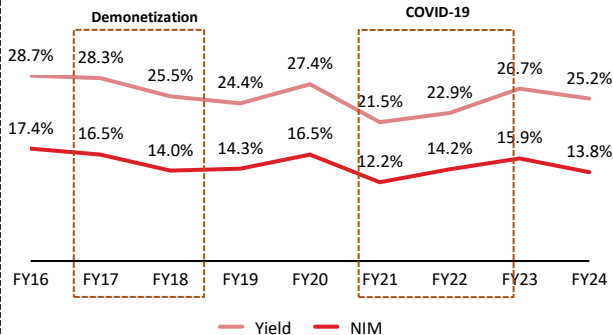


Gross and Net Total Income

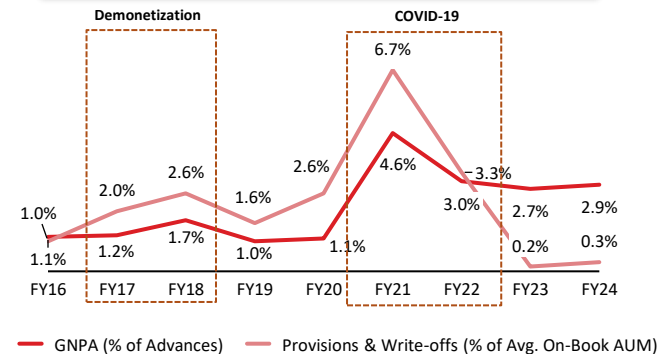
(INR Crore)



Yield & NIM (%)

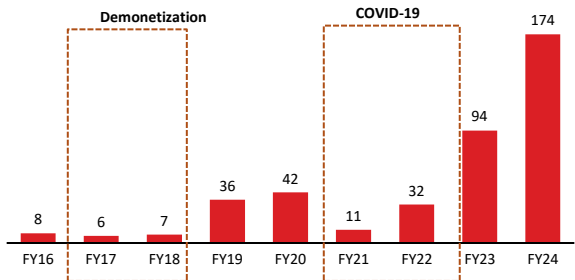


Asset Quality

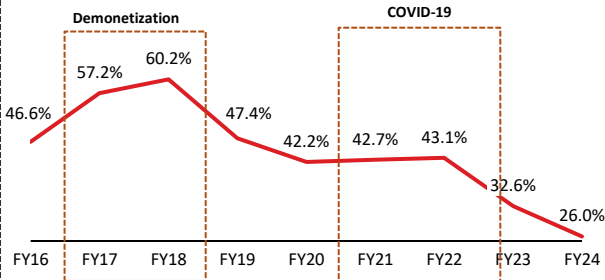


Profit After Tax

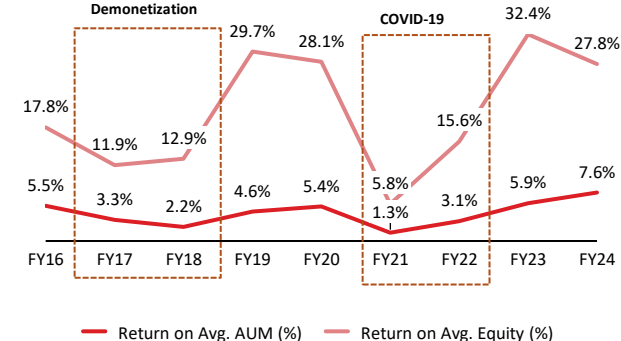
(INR Crore)



Cost to Income Ratio %



Return Ratios





- $\text{Gross Interest Income} = \text{Interest Income} + \text{processing fees} / \text{other charges}$
- $\text{Net Interest Margins} = \text{Net Interest Income} / \text{Average AUM (On + Off-Book)}$
- $\text{Yields} = \text{Gross Interest Income} / \text{Avg. AUM (On + Off Off-Book)}$
- $\text{Cost-to -Income Ratio} = \text{Opex (excl. provisions)} / \text{Net Total Income}$
- $\text{GNPA \%} = \text{GNPA} / \text{AUM (On-Book)}$
- $\text{NNPA \%} = \text{NNPA} / \text{AUM (On-Book)}$
- $\text{Return on Average AUM} = \text{Profit After Tax} / \text{Quarterly Avg. AUM}$
- $\text{Return on Equity} = \text{Profit After Tax} / \text{Quarterly Avg. Equity}$



Thank You

Contact Information

Company:



Arman Financial Services Limited

CIN: L55910GJ1992PLC018623

Mr. Vivek Modi

Chief Financial Officer (CFO)

Email : vivek@armanindia.com

www.armanindia.com

Investor Relations Advisors:

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Abhishek Shah

abhishek.shah@sgapl.net

+91 9930651660

www.sgapl.net