



## 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: May 30, 2022

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

Dear Sir,

### SUB: AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2022

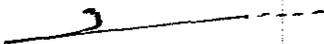
Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit Audited Financial Results (Standalone & Consolidated) for the quarter / year ended on March 31, 2022 as reviewed by Audit Committee and approved by Board of Directors in it's meeting held on May 30, 2022.

The Auditor's Report on Financial Results (Consolidated & Standalone) for the quarter / year ended on March 31, 2022 are also forwarded herewith.

Thanking You

Yours faithfully,

For, Arman Financial Services Limited

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





# ***talati & talati llp***

*Chartered Accountants*

Independent Auditor's Report on Consolidated Financial Results of Arman Financial services limited pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

To

The Board of Directors of  
**ARMAN FINANCIAL SERVICES LIMITED**

Report on the Audit of the Consolidated Financial Results

## **OPINION**

1. We have audited the accompanying statement of consolidated financial results of **ARMAN FINANCIAL SERVICES LIMITED** ("the Parent") and its subsidiary **NAMRA FINANCE LIMITED** ("the subsidiary") [Parent and Subsidiary together referred to as "the Group"] for the quarter ended on March 31, 2022 and the year-to-date results for the period from April 1, 2021 to March 31, 2022 ("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 ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of reports of other auditor on separate audited financial statements of the subsidiary, the consolidated Financial Results for the year ended on March 31, 2022:
  - 2.1. includes the results of the **NAMRA FINANCE LIMITED** ("the subsidiary");
  - 2.2. is presented in accordance with the requirements of Listing Regulations in this regard; and
  - 2.3. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information for the quarter ended March 31, 2022 and for the year to date period from April 1, 2021 to March 31, 2022.

## **BASIS OF OPINION**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Talati & Talati LLP, a Limited Liability Partnership bearing LLP identification NO. AAO-8149

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## EMPHASIS OF MATTER

5. We draw attention to Note 4 of the accompanying Consolidated Financial Results which describes the continuing uncertainties arising from COVID 19 pandemic for the purpose of additional provisioning of Expected Credit Loss.

Our report is not modified in respect of this matter.

## MANAGEMENT'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL RESULTS

6. The statement is prepared on the basis of the Consolidated Annual Financial Statements. The Parent's Board of Directors are responsible for the preparation and presentation of the consolidated statement for the quarter and year ended March 31, 2022 that give true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations.
7. The respective Board of Directors of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Results by the Directors of the Parent, as aforesaid.
8. In preparing the Consolidated financial results, the respective Board of Directors of the Company and of its subsidiary are responsible for assessing the ability of the Parent and of its subsidiary to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the Company and of its subsidiary are responsible for overseeing the financial reporting process of the Company and of its subsidiary.

## AUDITOR'S RESPONSIBILITIES

10. Our objectives are to obtain reasonable assurance about whether the Consolidated financial results for the year ended on March 31, 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.



11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- 11.1 Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 11.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on effectiveness of such controls.
  - 11.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 11.4 Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - 11.5 Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - 11.6 Obtain sufficient appropriate audit evidence regarding the Annual Consolidated Financial Results of the entities within the Group to express an opinion on the Annual consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of the parent included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entity included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## OTHER MATTERS

14. We did not audit the financial information of a subsidiary included in the consolidated financial results, whose financial information (before consolidation adjustments) reflects total assets of Rs.1,00,712.88 lakhs as at March 31, 2022 and total revenues (Including Other Income) of Rs. 5,594.18 lakhs and Rs. 17,304.29 lakhs for the quarter and year ended on March 31, 2022 respectively, total net profit after tax of Rs. 976.87 lakhs and Rs. 1,844.55 lakhs for the quarter and year ended March 31,2022 respectively, total comprehensive income of Rs. 432.33 lakhs and Rs. 1,378.19 lakhs for the quarter and year ended on March 31, 2022 and net cash inflow of Rs. 565.62 lakhs for the year ended on March 31, 2022, as considered in the consolidated Financial Results. The independent auditor's reports on financial information of this entity has been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
15. The Statement includes comparative financial figures for the Quarter and Year ended March 31, 2021 which has been audited by the erstwhile auditor; where they have expressed an unqualified opinion vide report dated 24 June 2021.
16. The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by auditors. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated Financial Results is not modified in respect with respect to our reliance on the work done and the reports of other auditors.

For Talati and Talati LLP  
Chartered Accountants  
FRN: 110758W/W100377



Place: Ahmedabad  
Date: May 30, 2022  
UDIN: 22188150AJWPUX6738

CA Kushal U. Talati  
Partner  
Membership No. 188150



## 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 AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2022**

(Rs. In Lakhs except per share data)

Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Refer note- 5	Unaudited	Refer note- 5	Audited	Audited
<b>1</b>	<b>Income from operations</b>					
	a. Revenue from Operations					
	i. Interest Income	6,657.61	5,671.43	4,265.36	22,056.71	18,564.13
	ii. Gain on assignment of financial assets	579.07	-	-	579.07	-
	iii. Fees and Commission income	176.30	225.98	133.46	598.99	506.40
	iv. Net Gain on Fair Value Changes	152.25	(51.22)	100.71	166.50	365.74
	<b>Total revenue from Operations (a)</b>	<b>7,565.23</b>	<b>5,846.19</b>	<b>4,499.53</b>	<b>23,401.27</b>	<b>19,436.27</b>
	b. Other Income	16.21	21.80	23.88	99.28	67.62
	<b>Total Income (a + b)</b>	<b>7,581.44</b>	<b>5,867.99</b>	<b>4,523.41</b>	<b>23,500.55</b>	<b>19,503.89</b>
<b>2</b>	<b>Expenses</b>					
	a. Finance cost	2,470.34	2,521.44	2,017.55	8,945.03	7,922.50
	b. Impairment losses on financial assets	1,074.83	659.49	1,401.16	3,733.18	5,459.22
	c. Employees benefits expense	1,181.61	1,122.40	918.19	4,185.26	3,556.60
	d. Depreciation and amortisation expense	33.94	19.75	20.18	95.27	80.98
	e. Other expenses	613.07	586.80	481.68	1,989.99	1,308.24
	<b>Total Expenses</b>	<b>5,373.79</b>	<b>4,909.89</b>	<b>4,538.76</b>	<b>18,948.74</b>	<b>18,327.54</b>
<b>3</b>	<b>Profit / (Loss) before an Exceptional and Tax (1-2)</b>	<b>2,207.65</b>	<b>958.10</b>	<b>(15.35)</b>	<b>4,551.82</b>	<b>1,176.35</b>
<b>4</b>	<b>Exceptional Items</b>	-	-	-	-	-
<b>5</b>	<b>Profit / (Loss) before Tax (3 - 4)</b>	<b>2,207.65</b>	<b>958.10</b>	<b>(15.35)</b>	<b>4,551.82</b>	<b>1,176.35</b>
<b>6</b>	<b>Tax Expense (net)</b>					
	- Current tax	445.00	372.90	65.40	1,495.10	1,089.70
	- Short / (excess) Provision of Income Tax of earlier years	0.28	-	6.36	0.28	6.36
	- Deferred tax liability / (asset)	134.31	(116.70)	(174.09)	(115.84)	(981.31)
	<b>Net Tax Expenses</b>	<b>579.59</b>	<b>256.20</b>	<b>(102.33)</b>	<b>1,379.54</b>	<b>114.75</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>1,628.06</b>	<b>701.90</b>	<b>86.99</b>	<b>3,172.28</b>	<b>1,061.60</b>
<b>8</b>	<b>Profit / (loss) from discontinued operations</b>	-	-	-	-	-
<b>9</b>	<b>Tax expense of discontinued operations</b>	-	-	-	-	-
<b>10</b>	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	-	-	-	-	-
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>1,628.06</b>	<b>701.90</b>	<b>86.99</b>	<b>3,172.28</b>	<b>1,061.60</b>
<b>12</b>	<b>Other comprehensive income / (loss)</b>					
	(a) (i) Items that will not be reclassified to profit and loss					
	- Remeasurement of Defined Benefit Obligations	(13.93)	5.40	30.37	2.28	21.62
	(ii) Income tax relating to items that will not be reclassified to profit and loss	3.51	(1.36)	(7.64)	(0.57)	(5.44)
	<b>Sub Total (a)</b>	<b>(10.42)</b>	<b>4.04</b>	<b>22.73</b>	<b>1.71</b>	<b>16.18</b>
	(b) (i) Items that will be reclassified to profit and loss					
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI	(747.94)	177.48	185.95	(790.66)	468.05
	(ii) Income tax relating to items that will be reclassified to profit and loss	188.24	(44.67)	(46.80)	198.99	(117.80)
	<b>Sub Total (b)</b>	<b>(559.70)</b>	<b>132.81</b>	<b>139.15</b>	<b>(591.67)</b>	<b>350.25</b>
	<b>Net Other comprehensive income / (loss) (a)+(b)</b>	<b>(570.12)</b>	<b>136.85</b>	<b>161.88</b>	<b>(589.96)</b>	<b>366.43</b>
<b>13</b>	<b>Total Comprehensive Income</b>	<b>1,057.94</b>	<b>838.76</b>	<b>248.86</b>	<b>2,582.32</b>	<b>1,428.03</b>
	<b>Paid up Equity Share capital (face value of Rs. 10/-)</b>	<b>849.16</b>	<b>849.16</b>	<b>848.84</b>	<b>849.16</b>	<b>848.84</b>
<b>14</b>	<b>Earnings per share (of Rs. 10/- Each)(Not Annualised)</b>					
	(a) Basic EPS	19.17	8.27	1.02	37.36	12.53
	(b) Diluted EPS	19.16	8.26	1.02	37.34	12.53



Notes

- 1 The audited consolidated financial results of 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 of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The audited consolidated financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Holding Company at its meeting held on May 30, 2022.
- 3 The Company reports quarterly / yearly financial results of the Group on a consolidated basis, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 5, 2016. The standalone financial results are available on the website of the Company at [www.armanindia.com](http://www.armanindia.com), the website of BSE Limited ("BSE") at [www.bseindia.com](http://www.bseindia.com) and on the website of National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com).
- 4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended March 31 2022.
- 5 Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Group holds an aggregate provision of Rs. 6531.69 lakhs against the advances which includes management overlay provision of Rs. 2033.96 lakhs for the COVID 19 impacted accounts
- 6 Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which were subjected to Limited Review.
- 7 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.
- The Group operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

Date: 30.05.2022  
Place: Ahmedabad



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

Jayendra Patel  
Vice Chairman & Managing Director  
DIN-00011814



## ARMAN FINANCIAL SERVICES LIMITED

### Consolidated Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>ASSETS</b>		
<b>(1) Financial Assets</b>		
(a) Cash and cash equivalents	7,552.76	8,791.77
(b) Bank Balance other than (a) above	6,681.27	8,045.65
(c) Loans	1,05,760.67	74,262.69
(d) Investments	591.74	317.73
(e) Other Financial assets	1,291.55	760.65
<b>(2) Non-financial Assets</b>		
(a) Current tax assets (Net)	-	-
(b) Deferred tax Assets (Net)	1,651.02	1,336.75
(c) Property, Plant and Equipment & Intangible assets	365.20	348.55
(d) Intangible assets under development	2.62	-
(e) Right of Use Assets	121.93	59.15
(f) Other non-financial assets	111.52	84.47
<b>Total Assets</b>	<b>1,24,130.29</b>	<b>94,007.42</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial Liabilities</b>		
(a) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	117.77	76.09
(b) Debt Securities	19,507.59	17,760.55
(c) Borrowings (Other than Debt Securities)	76,961.46	52,881.55
(d) Subordinated Liabilities	2,500.00	1,500.00
(e) Other financial liabilities	3,289.37	2,421.07
<b>(2) Non-Financial Liabilities</b>		
(a) Current Tax Liabilities (Net)	274.23	486.78
(b) Provisions	115.74	89.55
(c) Other non-financial liabilities	95.51	115.88
<b>EQUITY</b>		
(1) Equity Share capital	849.16	848.84
(2) Other Equity	20,419.45	17,827.12
<b>Total Liabilities and Equity</b>	<b>1,24,130.29</b>	<b>94,007.42</b>





## ARMAN FINANCIAL SERVICES LIMITED

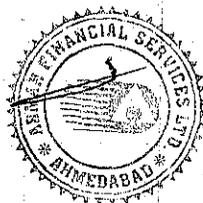
### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

PARTICULARS	March 31, 2022	March 31, 2021
<b>A: Cash from Operating Activities:</b>		
Net profit before taxation	4,551.82	1,176.35
<b>Adjustment For:</b>		
Depreciation and amortisation	67.38	66.19
Interest Income	(22,056.71)	(18,564.13)
Net gain on equity instruments measured through profit and loss	(17.69)	(23.63)
Finance cost Expense	8,924.95	7,666.68
Provision for impairment on financial assets	1,268.63	3,812.18
Depriciation on right of use assets	27.90	14.79
(Profit) / loss on sale of property, plant and equipment	0.57	-
Gain on assignment of assets (net of expense)	(579.07)	-
Loss / (Profit) on sale of current investment	(146.72)	(164.29)
Remeasurement of define benefit plan	2.28	21.62
Employee stock option plan expense	8.23	6.65
Interest on shortfall of advance Tax	36.12	78.00
Financial Gaurantee Income	-	-
	<u>(12,464.13)</u>	<u>(7,085.95)</u>
<b>Operating profit before working Capital changes :</b>	<b>(7,912.31)</b>	<b>(5,909.60)</b>
<b>Adjustment For Increase/(Decrease) in Operating Assets:</b>		
Loans and Advances	(33,578.69)	223.49
Financial Assets	(593.53)	348.39
Non Financial Assets	(27.05)	10.39
Bank balance other than Cash and Cash equivalents	1,398.66	(4,190.90)
<b>Adjustment For Increase/(Decrease) in Operating Liabilities:</b>		
Trade Payables	41.68	(1.91)
Other Non Financial liability	(20.37)	(10.80)
Other Financial Liabilities	390.03	158.23
Provision	26.20	9.57
	<u>(32,363.07)</u>	<u>(3,453.55)</u>
<b>Cash Generated From Operations</b>	<b>(40,275.38)</b>	<b>(9,363.14)</b>
Interest Income Received	22,355.79	18,163.23
Finance Cost Paid	(8,395.72)	(7,571.96)
Income tax paid	(1,754.95)	(636.98)
	12,205.12	9,954.29
<b>Net Cash From Operating Activities:</b>	<b>(28,070.26)</b>	<b>591.15</b>
<b>B: Cash Flow From Investing Activities:</b>		
Purchase of Property, Plant & Equipment	(87.39)	(44.12)
Sale of Property, Plant & Equipment	0.18	-
Purchase of Investments	(50,845.53)	(32,975.00)
Proceeds from Sale/redemption of investments	50,735.92	33,171.09
<b>Net Cash from Investment Activities:</b>	<b>(196.82)</b>	<b>151.98</b>



<b>C: Cash Flow From Financing Activities :</b>		
Proceeds from issue of share capital	1.60	18.75
Dividend paid	-	(2.63)
Share issue Expense	-	-
Proceeds from long term borrowings	72,235.36	36,877.46
Repayment of borrowings	(40,978.32)	(38,335.06)
Net increase / (decrease) in working capital borrowings	(4,209.51)	3,672.79
Repayment of Principal Component of Lease Liability	(21.06)	(11.60)
<b>Net Cash from Financing Activities:</b>	<b>27,028.07</b>	<b>2,219.70</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(1,239.01)</b>	<b>2,962.82</b>
<b>Cash &amp; cash equivalents at the beginning</b>	<b>8,791.77</b>	<b>5,828.95</b>
<b>Cash &amp; cash equivalents at the end</b>	<b>7,552.76</b>	<b>8,791.77</b>





***talati & talati llp***  
*Chartered Accountants*

**Independent Auditor's Report on Standalone Financial Results of Arman Financial Services Limited pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").**

To  
The Board of Directors of  
**ARMAN FINANCIAL SERVICES LIMITED**

**Report on the Audit of the Standalone Financial Results**

**OPINION**

1. We have audited the accompanying statement of Standalone Financial Results of **Arman Financial Services Limited** ("the Company") for the quarter ended on March 31, 2022 and the year to date results for the period from April 1, 2021 to March 31, 2022 ("the Statement"), being submitted by Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:
  - 2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
  - 2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India, of the Net Profit and Other Comprehensive Income and other financial information for the quarter ended on March 31, 2022 and for the year to date period from April 1, 2021 to March 31, 2022.

**BASIS FOR OPINION**

3. We conducted our audit of the Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Statement section of our report.



**Talati & Talati LLP, a Limited Liability Partnership bearing LLP identification NO. AAO-8149**

AMBICA CHAMBERS, NEAR OLD HIGH COURT, NAVRANGPURA, AHMEDABAD 380 009.  
TEL. : 2754 4571 / 72 / 74, www.talatiandtlati.com

Also at : **VADODARA** (0265) 235 5053 / 73 • **SURAT** (0261) 236 1236 • **ANAND** (02692) 656 405  
**MUMBAI** (022) 2683 3041 / 42 • **DELHI** (011) 3255 3900 • **KOCHI** (0484) 640 0102

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

#### **EMPHASIS OF MATTER**

4. We draw attention to Note 3 of the accompanying Standalone Financial Results which describes the continuing uncertainties arising from COVID 19 pandemic for the purpose of additional provisioning of Expected Credit Loss.

Our opinion is not modified in respect of this matter.

#### **MANAGEMENT'S RESPONSIBILITIES FOR STANDALONE FINANCIAL RESULTS**

5. The Statement has been prepared on the basis of the Standalone Annual Financial Statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement for the Quarter and year ended on March 31, 2022 that give a true and fair view of the net profit or loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the company's financial reporting process.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL RESULTS

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 9.1 Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 9.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
  - 9.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 9.4 Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 9.5 Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.



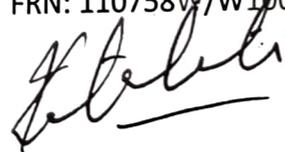
10. Materiality is the magnitude of misstatements in the company's financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in company's financial results.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **OTHER MATTERS**

13. Attention is drawn to the fact that the audited Standalone Financial Results of the Company for the quarter and year ended 31 March 2021 were audited by erstwhile auditors whose report dated 24 June 2021, expressed an unmodified opinion on those audited Standalone Financial Results and the Standalone Financial Statements. Our Opinion is not modified in respect of these matters.
14. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review.

Our opinion on the Standalone Financial Results is not modified in respect of the above matters.

**For Talati and Talati LLP**  
**Chartered Accountants**  
FRN: 110758W/W100377



CA Kushal U. Talati  
Partner  
Membership No. 188150



Place: Ahmedabad  
Date: May 30, 2022  
UDIN: 22188150AJWNYJ8918



## ARMAN FINANCIAL SERVICES LIMITED

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

CIN: L5910G11992PLC018623 Ph-079-40507000; E-mail: finance@armanindia.com; Website: www.armanindia.com

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2022**

(Rs. In Lakhs except per share data)

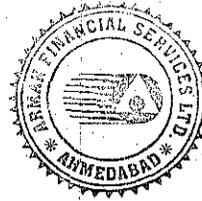
Sr.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Refer note-4	Unaudited	Refer note-4	Audited	Audited
<b>1</b>	<b>Income from operations</b>					
	a. Revenue from Operations					
	i. Interest Income	1,957.43	1,478.63	1,312.57	6,116.69	6,033.51
	ii. Fees and Commission Income	25.37	49.45	1.31	87.09	1.31
	iii. Net gain on fair value changes	(9.24)	36.67	3.56	37.58	25.36
	<b>Total revenue from Operations (a)</b>	<b>1,973.56</b>	<b>1,564.75</b>	<b>1,317.44</b>	<b>6,241.36</b>	<b>6,060.18</b>
	b. Other income	128.23	93.81	71.41	380.49	294.59
	<b>Total Income (a + b)</b>	<b>2,101.79</b>	<b>1,658.56</b>	<b>1,388.85</b>	<b>6,621.85</b>	<b>6,354.77</b>
<b>2</b>	<b>Expenses</b>					
	a. Finance cost	414.12	504.80	491.66	1,789.01	1,997.74
	b. Impairment on Financial Assets	94.21	41.87	332.56	733.49	1,791.98
	c. Employees benefits expense	361.62	327.08	317.39	1,279.78	1,166.34
	d. Depreciation and amortisation expense	2.67	2.52	2.36	10.03	10.12
	e. Other expenses	228.67	207.73	225.27	679.58	449.11
	<b>Total Expenses</b>	<b>1,101.28</b>	<b>1,084.00</b>	<b>1,369.25</b>	<b>4,491.89</b>	<b>5,415.29</b>
<b>3</b>	<b>Profit / (Loss) before an Exceptional and Tax (1-2)</b>	<b>1,000.50</b>	<b>574.56</b>	<b>19.61</b>	<b>2,129.96</b>	<b>939.48</b>
<b>4</b>	Exceptional Items	-	-	-	-	-
<b>5</b>	<b>Profit / (Loss) before Tax (3 - 4)</b>	<b>1,000.50</b>	<b>574.56</b>	<b>19.61</b>	<b>2,129.96</b>	<b>939.48</b>
<b>6</b>	<b>Tax Expense (net)</b>					
	- Current tax	135.70	156.90	29.40	490.10	525.70
	- Short / (excess) Provision of Income Tax of earlier years	-	-	6.36	-	6.36
	- Deferred tax liability / (asset)	101.09	(29.82)	(65.29)	16.42	(392.31)
	<b>Net Tax Expenses</b>	<b>236.79</b>	<b>127.08</b>	<b>(29.53)</b>	<b>506.52</b>	<b>139.75</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>763.71</b>	<b>447.48</b>	<b>49.14</b>	<b>1,623.44</b>	<b>799.73</b>
<b>8</b>	<b>Profit / (loss) from discontinued operations</b>	-	-	-	-	-
<b>9</b>	<b>Tax expense of discontinued operations</b>	-	-	-	-	-
<b>10</b>	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	-	-	-	-	-
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>763.71</b>	<b>447.48</b>	<b>49.14</b>	<b>1,623.44</b>	<b>799.73</b>
<b>12</b>	<b>Other comprehensive income / (loss)</b>					
	(a) (i) Items that will not be reclassified to profit and loss					
	- Remeasurement of Defined Benefit Obligations	2.78	1.82	10.93	8.23	7.27
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(0.70)	(0.46)	(2.75)	(2.07)	1.83
	<b>Sub Total (a)</b>	<b>2.08</b>	<b>1.36</b>	<b>8.18</b>	<b>6.16</b>	<b>5.44</b>
	(b) (i) Items that will be reclassified to profit and loss					
	- Fair valuation gain / (loss) on financial instruments measured at FVOCI	(36.98)	(43.52)	281.41	173.41	232.37
	(ii) Income tax relating to items that will be reclassified to profit and loss	9.31	10.96	(70.82)	43.64	(58.48)
	<b>Sub Total (b)</b>	<b>(27.67)</b>	<b>(32.56)</b>	<b>210.59</b>	<b>(129.77)</b>	<b>173.89</b>
	<b>Net Other comprehensive income / (loss) (a)+(b)</b>	<b>(25.59)</b>	<b>(31.21)</b>	<b>218.76</b>	<b>(123.61)</b>	<b>179.34</b>
<b>13</b>	<b>Total Comprehensive Income</b>	<b>738.12</b>	<b>416.27</b>	<b>267.90</b>	<b>1,499.83</b>	<b>979.07</b>
	<b>Paid up Equity Share capital (face value of Rs. 10/-)</b>	<b>849.16</b>	<b>849.16</b>	<b>848.84</b>	<b>849.16</b>	<b>848.84</b>
<b>14</b>	<b>Earnings per share (Of Rs. 10/- Each) (Not Annualised)</b>					
	(a) Basic EPS	9.00	5.27	0.58	19.12	9.44
	(b) Diluted EPS	8.99	5.27	0.58	19.11	9.44



Notes

- 1 The audited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act 2013 [the 'Act'] read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 2 The audited standalone financial results for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on May 30, 2022.
- 3 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended March 31 2022.  
Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Company holds an aggregate provision of Rs. 1814.98 lakhs against the advances which includes management overlay provision of Rs. 1007.91 lakhs for the COVID 19 impacted accounts
- 4 Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which were subjected to Limited Review.
- 5 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.
- 6 The Company operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

Date: May 30, 2022  
Place: Ahmedabad



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

Jayendra Patel  
Vice Chairman & Managing Director  
DIN-00011814



## ARMAN FINANCIAL SERVICES LIMITED

### Standalone Balance Sheet as at March 31, 2022

(Rs. In lakhs)

	Particulars	March 31, 2022	March 31, 2021
	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	3,101.93	4,906.56
(b)	Bank Balance other than (a) above	756.52	1,778.46
(c)	Loans	18,829.51	15,115.26
(d)	Investments	9,304.06	6,518.84
(e)	Other Financial assets	109.83	164.79
(2)	<b>Non-financial Assets</b>		
(a)	Current tax assets (Net)	17.40	-
(b)	Deferred tax Assets (Net)	463.64	438.49
(c)	Property, Plant and Equipment & Intangible assets	81.63	76.27
(d)	Intangible assets under development	2.62	-
(e)	Other non-financial assets	71.75	70.15
	<b>Total Assets</b>	<b>32,738.87</b>	<b>29,068.82</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
(a)	Debt Securities	6,728.57	6,484.03
(b)	Borrowings (Other than Debt Securities)	10,569.96	8,351.71
(c)	Subordinated Liabilities	500.00	500.00
(d)	Other financial liabilities	498.08	500.73
(2)	<b>Non-Financial Liabilities</b>		
(a)	Current Tax Liabilities (Net)	-	38.80
(b)	Provisions	39.93	39.20
(c)	Other non-financial liabilities	307.04	371.04
	<b>EQUITY</b>		
(1)	Equity Share capital	849.16	848.84
(2)	Other Equity	13,246.14	11,934.47
	<b>Total Liabilities and Equity</b>	<b>32,738.87</b>	<b>29,068.82</b>





## ARMAN FINANCIAL SERVICES LIMITED

STANDLAONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

PARTICULARS	March 31, 2022	March 31, 2021	
<b>A: Cash from Operating Activities:</b>			
Net profit before taxation	2,129.96	939.48	
<b>Adjustment For:</b>			
Depreciation and amortisation	10.03	10.12	
Interest Income	(6,116.69)	(6,033.51)	
Finance cost Expense	1,789.01	1,967.74	
Provision for impairment on financial assets	77.54	1,383.63	
Loss / (Profit) on sale of Current Investment	(37.58)	(25.36)	
Remeasurement of define benefit plan	8.23	7.27	
Employee Stock Option Plan Expense	4.41	5.67	
Interest on shortfall of advance Tax	16.05	30.00	
Financial Gaurantee Income	(295.71)	(229.02)	
	(4,544.70)	(2,883.46)	
<b>Operating profit before working Capital changes :</b>	(2,414.74)	(1,943.98)	
<b>Adjustment For Increase/(Decrease) in Operating Assets:</b>			
Loans and Advances	(3,965.20)	5,998.64	
Financial Assets	(15.92)	133.07	
Non Financial Assets	(1.60)	9.63	
Bank balance other than Cash and Cash equivalents	1,021.94	(1,204.03)	
<b>Adjustment For Increase/(Decrease) in Operating Liabilities:</b>			
Other Non Financial liability	6.54	(15.81)	
Other Financial Liabilities	(0.24)	30.42	
Provision	0.73	3.99	4,955.91
<b>Cash Generated From Operations</b>	(5,368.49)	3,011.93	
Interest Income Received	6,187.57	5,980.67	
Finance Cost Paid	(1,831.16)	(1,954.90)	
Income tax paid	(562.35)	(392.62)	3,633.15
<b>Net Cash From Operating Activities:</b>	(1,574.43)	6,645.08	
<b>B: Cash Flow From Investing Activities:</b>			
Purchase of Property, Plant & Equipment	(18.00)	(3.27)	
Purchase of investments	(12,553.40)	(7,050.00)	
Sale of investments	9,837.08	7,075.35	
<b>Net Cash from Investment Activities:</b>	(2,734.33)	22.08	
<b>C: Cash Flow From Financing Activities :</b>			
Proceeds from issue of share capital	1.60	18.74	
Dividend paid	-	(2.63)	
Share Issue Expense	-	-	
Proceeds from long term borrowings	11,800.00	1,000.00	
Repayment of borrowings	(6,776.99)	(4,603.03)	
Net increase / (decrease) in working capital borrowings	(2,520.48)	1,805.32	
<b>Net Cash from Financing Activities:</b>	2,504.13	(1,781.60)	
<b>Net Increase in Cash &amp; Cash Equivalents</b>	(1,804.64)	4,885.55	
<b>Cash &amp; cash equivalents at the beginning</b>	4,906.56	21.01	
<b>Cash &amp; cash equivalents at the end</b>	3,101.93	4,906.56	





## 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: May 30, 2022

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

Dear Sir,

**Sub: Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.**

### Declaration

We hereby declare that the statutory Auditors, M/s Talati & Talati LLP, Chartered Accountant have issued Audit Report(s) with unmodified opinion on Standalone & Consolidated Audited Financial Results for the quarter / year ended on March 31, 2022.

This declaration is issued in compliance of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Kindly take it on your record.

Yours faithfully,

**For, Arman Financial Services Limited**

Vivek Modi  
Group C.F.O.

