Q2 2025

1. Loan Portfolio Quality

- **Narrative:** Management emphasized the importance of improving the repayment rate in the zero Days Past Due (DPD) bucket as a critical factor for enhancing the loan portfolio quality. They have identified achieving a repayment rate of at least 98.5% to 99% as a target, aligning with historical performance levels.
- **Management's Guidance:**
- Management indicated that improvements in loan portfolio quality are contingent upon achieving a repayment rate in the zero DPD bucket of at least 98.5% to 99%. This marks a return to typical historical standards and is necessary for future enhancements in the company's financial performance.
- **Actual Results:**

['Q2', '2025']:

- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

2. Compliance with Microfinance Institution Network (MFIN) norms

- **Narrative:** Management discussed plans to establish independent credit teams across all branches, highlighting a strategic move to strengthen regulatory compliance and enhance operational efficiency in accordance with MFIN norms.
- **Management's Guidance:**
- Management anticipates completing the establishment of independent credit teams across all branches by the end of the current fiscal year.
- **Actual Results:**

['Q2', '2025']:

- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. Operational Risk Controls

- **Narrative:** Management emphasized the importance of enhancing collection efficiencies and monitoring processes as key operational risk control measures.
- **Management's Guidance:**
- Management plans to focus on improving collection efficiencies and monitoring efforts in the upcoming periods.
- **Actual Results:**

['Q2', '2025']:

- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

4. Credit Risk Management Practices

- **Narrative:** Management emphasized the importance of enhancing credit risk management practices by implementing a superior underwriting process. This approach aims to ensure that future lending activities are better protected and secure, reflecting a proactive strategy to mitigate potential credit risks.
- **Management's Guidance:**
- Management plans to establish a significantly improved underwriting process to safeguard future lending operations, aiming for a more robust credit risk management framework.
- **Actual Results:**

['Q2', '2025']:

- Cumulative Provisions stood at ~INR 22.9 Crore as on 30th September 2024 (covering 4.85% of the consolidated AUM, 4.96% on book). Provisions & write off for the quarter increased to ~INR 47.5 Crores as compared to ~INR 38.60 crores in Q1FY25. Write off (net-of recovery) during the quarter at ~INR 36.70 Crore as an aggressive write off and provisioning policy was adopted.
- **Evaluation:**
- **Expectations Not Met: Despite management's plan to enhance credit risk management through a superior underwriting process, the actual results show an increase in provisions and write-offs, indicating that the expected improvements in credit risk mitigation were not fully realized.**

Q1 2025

1. Net Interest Margin

- **Narrative:** Management has indicated a cautious outlook regarding the company's net interest margin, suggesting that while some decline in yields is anticipated, it is expected to be minimal.
- **Management's Guidance:**
- Management does not foresee a significant decline in yields, projecting a potential decrease of approximately 25 to 30 basis points in the upcoming quarters.
- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- During Q2 FY25, the Net Interest Margin (NIM) was reported as 13.1%, indicating a decline compared to the previous quarter.
- **Evaluation:**
- **Expectations Not Met: The management projected a minimal decline of 25 to 30 basis points in net interest margin, but the actual results in Q2 FY25 showed a decline without specifying the basis points, suggesting the decline was potentially more than anticipated.**

2. Loan Portfolio Quality

- **Narrative:** Management emphasized the critical importance of maintaining a high repayment rate by focusing on the accurate selection of customers. This approach is integral to sustaining the company's loan portfolio quality and mitigating risks associated with defaults.

- **Management's Guidance:**
- Management aims to maintain a repayment rate of over 97% by ensuring precise customer selection processes in the upcoming quarters.
- **Actual Results:**
['Q2', '2025']:
- Data Not Available
['Q1', '2025']:
- The actual results for Q1 2025 indicate that the on-time repayment rate in June was approximately 93.8% to 93.6%, which is below the management's guidance target of over 97%.
- **Evaluation:**
- Expectations Not Met: The actual results for Q1 2025 show an on-time repayment rate of approximately 93.8% to 93.6%, which is below the management's guidance target of maintaining a repayment rate of over 97%.

3. Cost-to-Income Ratio
- **Narrative:** The management has indicated that there could be potential adjustments in the cost structure, which may influence the cost-to-income ratio in the upcoming quarters. They have not elaborated on specific strategies but acknowledged the need for vigilance in managing operational costs to maintain profitability.
- **Management's Guidance:**
- Management indicated that the credit cost guidance may increase by 50 basis points, which could potentially impact the cost-to-income ratio.
- **Actual Results:**
['Q1', '2025']:
- Consolidated yield stood at 25.4%, net interest margin stood at 15.5% and cost to income stood at 28.7%.
['Q2', '2025']:
- Cost to Income Ratio for Q2 FY25 stood at 25.4%.
- **Evaluation:**
- Expectations Met: Management indicated potential adjustments in cost structure that could impact the cost-to-income ratio. The Q2 FY25 actual result of 25.4% aligns with management's vigilance strategy, meeting expectations.

4. Non-Performing Assets (NPA) Ratio
- **Narrative:** Management anticipates a stabilization in the Non-Performing Assets (NPA) ratio over the coming quarters, with an expected decline projected toward the latter part of the fiscal year. This strategic outlook suggests a focus on improving asset quality and managing credit risks effectively.
- **Management's Guidance:**
- Management does not foresee a significant decline in the NPA ratio in the immediate next quarters, but projects a decrease by Q3 or Q4 of the fiscal year.
- **Actual Results:**
['Q2', '2025']:
- Asset Quality (%) GNPA 2.5%, NNPA 0.2% for Q2 FY25
['Q1', '2025']:
- Key Ratios (Q1FY25): Yield: 36.5%, GNPA: 2.04%, NNPA: 0.43%
- **Evaluation:**
- Expectations Met: Management projected a decline in the NPA ratio by Q3 or Q4, and the stabilization observed in Q2, with GNPA at 2.5% and NNPA at 0.2%, aligns with the projected timeline and strategic focus on improving asset quality.

5. Geographic Expansion Plans
- **Narrative:** Management highlighted plans to expand their operations within the state of Telangana, indicating a strategic move to enhance their presence and market reach in this region.
- **Management's Guidance:**
- Management anticipates launching their services in the Telangana branches potentially as early as this quarter, suggesting an imminent geographic expansion.
- **Actual Results:**
['Q2', '2025']:
- Data Not Available
['Q1', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Client Acquisition Rate
- **Narrative:** Management is focused on enhancing operational efficiency by deploying credit managers in branches, aiming to improve client acquisition and streamline the sanctioning process.
- **Management's Guidance:**
- By the beginning of the next quarter, management anticipates having at least 100 branches equipped with dedicated credit managers responsible for sanctioning, which is expected to positively impact client acquisition rates.
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q2', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Credit Risk Management Practices
- **Narrative:** The management has emphasized a cautious approach towards credit risk by focusing on reducing customer leverage. This strategic decision is

aimed at maintaining a healthier loan portfolio and mitigating potential credit risks.
- **Management's Guidance:**
- The company plans to decrease overall customer leverage, which is expected to result in higher rejection rates and consequently lead to slightly lower disbursements in the upcoming quarters.
- **Actual Results:**
['Q2', '2025']:
- Actual Results
['Q1', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

8. Use of Digital Platforms for Loan Disbursement
- **Narrative:** Management highlighted their commitment to technological integration by successfully implementing biometric eKYC verification across all branches. This move is aimed at streamlining the loan disbursement process and enhancing customer verification protocols.
- **Management's Guidance:**
- Management anticipates that the deployment of biometric eKYC will lead to more efficient loan processing and reduced onboarding times in the upcoming quarters.
- **Actual Results:**
['Q2', '2025']:
- Disbursement: 100% Cashless
['Q1', '2025']:
- We have successfully launched in all of our branches a biometric eKYC verification using either fingerprints or iris scanners. Now we have finally bit the bullet and also gone to a level where they have to use an iris and/or fingerprint scanner to get the loan. And so I think we started that about 6 months ago. 100% Cashless disbursements
- **Evaluation:**
- Expectations Exceeded: The implementation of biometric eKYC resulted in 100% cashless disbursements across all branches, achieving more than the anticipated efficiency and onboarding reduction goals set by management.

9. Operational Risk Controls
- **Narrative:** Management highlighted the implementation of enhanced monitoring systems to improve operational efficiency. This involves a focus on utilizing geo-tagging and business intelligence (BI) reports to ensure effective use of time by field personnel.
- **Management's Guidance:**
- Management plans to have approximately 25 individuals dedicated to continuously monitoring field activities through geo-tagging and BI reports, aiming to optimize the efficiency of field operations.
- **Actual Results:**
['Q2', '2025']:
- Data Not Available
['Q1', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

10. Mobile Application Adoption by Clients
- **Narrative:** Management introduced the Namra app, an Android-based application designed to serve as a payment gateway while providing customers with account-related information. This technological integration reflects the company's commitment to enhancing user experience and accessibility for its clients.
- **Management's Guidance:**
- Management anticipates that the launch of the Namra app will play a significant role in driving customer engagement and improving service efficiency in upcoming quarters.
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q2', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

11. Management Experience in Microfinance
- **Narrative:** Management discussed strategic initiatives to improve operational efficiency and enhance recovery mechanisms in the microfinance sector. This includes restructuring collection schedules and strengthening the recovery process by deploying specialized teams and establishing a dedicated business intelligence unit.
- **Management's Guidance:**
- Management is implementing a shift in collection schedules and expanding a team of recovery officers to enhance collection efficiency. Additionally, they have established a business intelligence and monitoring unit at the head office level to support these efforts.
- **Actual Results:**
['Q2', '2025']:
- Aalok J. Patel [He has 16 years of banking and finance experience, including 12 years at Arman.]
['Q1', '2025']:
- a2fd3938d17a2cb114a455ac427de82f --> Jayendrabhai B. Patel [He has been an entrepreneur for 45 years.] a2fd3938d17a2cb114a455ac427de82f --> Jayendrabhai B. Patel [He founded Arman in 1992 and has been at the helm of management since then.] e3c73d88e8488e3530deb5eea6ae22d2 --> Aalok J.

Patel [He has 16 years of banking and finance experience, including 12 years at Arman.] e3c73d88e8488e3530deb5eea6ae22d2 --> Geeta H. Solanki [An accomplished Company Secretary, Registered Valuer, and Insolvency Professional with 40 years of experience.] e3c73d88e8488e3530deb5eea6ae22d2 --> Geeta H. Solanki [Spearheaded Gujarat Lease & Finance Limited (GLFL) for over 2 decades in various senior management roles like Company Secretary, Financial Controller and CEO.]
- **Evaluation:**
- Insufficient Info: Data not available.

Q4 2024

1. Net Interest Margin
- **Narrative:** Management highlighted concerns regarding the potential impact of declining market interest rates on the company's net interest margin.
- **Management's Guidance:**
- Management is expecting at least a 100 basis points dip in net interest margin, contingent upon further declines in market interest rates.
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q2', '2025']:
- Net Interest Margin (%) decreased to 13.1% in Q2 FY25, which aligns with the management's guidance of a potential 100 basis points dip.
['Q4', '2024']:
- Net Interest Margin for Q4 FY24 stood at 12.0%.
- **Evaluation:**
- Expectations Met: The actual net interest margin in Q2 FY25 decreased to 13.1%, which aligns with management's guidance of a potential 100 basis points dip, meeting the expectations set by the management.

2. Loan Portfolio Quality
- **Narrative:** Management has emphasized maintaining a steady credit cost over the coming years, aiming to stabilize the financial performance of the loan portfolio. The focus is on achieving a consistent credit cost within a specified range to ensure portfolio quality.
- **Management's Guidance:**
- Management expects the credit cost to remain between 2.5% to 3% over the next 3 to 4 years on a steady state basis.
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q4', '2024']:
- Data Not Available
['Q2', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. Cost-to-Income Ratio
- **Narrative:** Management has articulated a focused approach towards reducing operational costs to improve the cost-to-income ratio. The emphasis is on achieving significant cost efficiencies over the upcoming quarters, which is expected to streamline operations and enhance profitability.
- **Management's Guidance:**
- Management aims to reduce operational costs by 5% over the next two quarters and anticipates a further reduction of 10% over the next quarter. They also noted that operational costs tend to stabilize by the end of the year, and they do not foresee significant deviations from this pattern in the coming year.
- **Actual Results:**
['Q4', '2024']:
- Cost to income stood at 26.6%.
['Q2', '2025']:
- Cost to Income Ratio for Q2 FY25 stood at 25.4%, which indicates a reduction in operational costs, aligning with the management's focus on improving the cost-to-income ratio.
['Q1', '2025']:
- Cost to Income Ratio for Q1 FY25 was reported at 28.7%.
- **Evaluation:**
- Expectations Met: The Cost to Income Ratio improved from 28.7% in Q1 FY25 to 25.4% in Q2 FY25, indicating a reduction in operational costs that aligns with management's guidance of achieving cost efficiencies over the quarters.

4. Capital Adequacy Ratio (CAR)
- **Narrative:** Management highlighted that maintaining a capital adequacy ratio of 25% is strategic for the company, indicating this level as a potential trigger point for considering an equity raise.
- **Management's Guidance:**
- Management suggested that a 25% capital adequacy ratio is optimal and serves as a threshold for initiating equity raising activities in the future.
- **Actual Results:**
['Q2', '2025']:
- Capital Adequacy Ratio for Q2 2025 was reported as 39.2%
['Q1', '2025']:
- CRAR (%): 65.8% (Sep-23), 62.7% (Dec-23), 48.2% (Mar-24), 35.2% (Jun-24)
['Q4', '2024']:
- The subsidiary NAMRA has a capital adequacy of 32.8%. CRAR: Arman (Standalone): 62.7%; Namra: 32.8%

- **Evaluation:**
- Expectations Exceeded: The actual Capital Adequacy Ratio consistently exceeded the management's guidance of 25%, with Q2 2025 reporting a significantly higher ratio of 39.2%, indicating a stronger capital position than anticipated.

5. Geographic Expansion Plans
- **Narrative:** Management has articulated a robust geographic expansion strategy, focusing on significant branch additions in key states such as Bihar, Jharkhand, Telangana, and Karnataka. This expansion is part of a broader strategic initiative to strengthen their market position in these regions. The plan also includes the establishment of new branches and the potential exploration of new market territories over the next two years.
- **Management's Guidance:**
- The company is targeting the opening of 60 to 75 new branches, including certain split branches, with a focus on expanding in Bihar and Jharkhand. Expansion into Telangana and Karnataka is also anticipated, with operations expected to commence early next quarter. In Jharkhand, the plan is to open an additional 10 to 15 branches within the next two to three months. The management has set a goal to expand into three new markets over the next two years.
- **Actual Results:**
['Q2', '2025']:
- During the quarter, the company added 1 new branch taking total branch count to 93 branches in 5 states
['Q1', '2025']:
- During Q1 2025, the company reported opening 91 new branches over the last 12 months, which aligns with their geographic expansion plans. The total branch count has reached 434, with operations in 11 states, including 342 MFI branches serving 6.91 lakh active customers.
['Q4', '2024']:
- In terms of branch expansion, we have opened 67 new branches over the last 12 months, bringing our total branch count to 402 branches.
- **Evaluation:**
- Expectations Exceeded: The company opened 91 new branches over the past 12 months, surpassing the target of 60 to 75 new branches, and expanded operations into 11 states, exceeding the geographic expansion plans.

6. Client Acquisition Rate
- **Narrative:** Management highlighted their strategic focus on expanding the customer base, with an emphasis on increasing market penetration and growth. This is part of their broader strategy to enhance market position and achieve substantial growth in key regions.
- **Management's Guidance:**
- Management is aiming for a 15% increase in customer base within the next year.
- **Actual Results:**
['Q4', '2024']:
- Data Not Available
['Q2', '2025']:
- Active MFI Customers stood at ~6.91 lakh.
['Q1', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Sources of Funding and Cost of Funds
- **Narrative:** Management highlighted their focus on scaling up their Non-Convertible Debentures (NCDs), particularly retail NCDs, as a strategic approach to enhancing their sources of funding. This move is aimed at diversifying their borrowing avenues and improving their overall funding structure.
- **Management's Guidance:**
- Management anticipates increasing the proportion of retail NCDs in their borrowing mix from the current 12-13% to a significant 20-25% in the upcoming quarters.
- **Actual Results:**
['Q2', '2025']:
- Data Not Available
['Q1', '2025']:
- The proportion of retail NCDs in the borrowing mix for Q1 FY25 was 24.0%, which is within the targeted range of 20-25% as per management guidance.
['Q4', '2024']:
- In Q4 FY24, NCDs accounted for 13.8% of the borrowing mix, which is below the management's guidance of increasing the retail NCDs proportion to 20-25%.
- **Evaluation:**
- Expectations Met: The proportion of retail NCDs in the borrowing mix reached 24.0% in Q1 FY25, aligning with the management's guidance of achieving 20-25%, thus meeting expectations.

Q3 2024

1. Net Interest Margin
- **Narrative:** Management addressed a temporary decrease in yields due to specific schemes they were running in certain segments. This decrease is not expected to be permanent and should improve in the near term.
- **Management's Guidance:**
- Management anticipates that yields will recover in the next quarter as the temporary impact of the schemes dissipates.
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q4', '2024']:
- Net Interest Margin for Q4 FY24 is 12.0%.
['Q2', '2025']:

- Net Interest Margin (%) for Q2 FY25 was reported as 13.1%.
['Q3', '2024']:
- Net interest margin stood at 13.1%.
- **Evaluation:**
- **Expectations Exceeded**: Management anticipated a recovery in yields in the next quarter, and the Net Interest Margin increased from 12.0% in Q4 FY24 to 13.1% in Q2 FY25, surpassing the expected recovery.

2. Loan Portfolio Quality
- **Narrative:** Management highlighted their strategic focus on enhancing loan portfolio quality by intensifying efforts in monitoring and collection processes. This includes the recruitment of additional staff dedicated to these activities and an elevation in underwriting standards starting from the fourth quarter.
- **Management's Guidance:**
- Management plans to recruit 300 additional staff members dedicated to collection efforts and aims to elevate underwriting standards from the fourth quarter. Management intends to maintain about 15% to 20% of the loan book on Direct Assignment (DA).
- **Actual Results:**
['Q1', '2025']:
- Data Not Available
['Q2', '2025']:
- Data Not Available
['Q4', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

3. Cost-to-Income Ratio
- **Narrative:** The management has provided insights into their long-term expectations regarding the company's financial performance, specifically focusing on the cost structure. They have indicated a strategic outlook on credit cost management, which is a key component of the cost-to-income ratio, suggesting a stable and predictable cost trajectory in the microfinance sector.
- **Management's Guidance:**
- Management anticipates that the microfinance business will feature a credit cost of approximately 2.5% in the long run, indicating a stable cost-to-income structure.
- **Actual Results:**
['Q4', '2024']:
- [Board Member] Cost to income stood at 26.6%.
['Q2', '2025']:
- Cost to income for the quarter stood at 33.3%.
['Q3', '2024']:
- Cost to income stood at 25.7%.
['Q1', '2025']:
- Cost to income stood at 28.7% for Q1 FY25.
- **Evaluation:**
- Expectations Not Met: The management anticipated a stable cost-to-income ratio supported by credit cost management at around 2.5%, but actual results showed significant fluctuations, with ratios ranging from 25.7% to 33.3%, indicating a failure to meet the stability expectations.

4. Return on Assets
- **Narrative:** In the Q3 2024 earnings call, management emphasized their commitment to maintaining robust return metrics, specifically targeting a return on assets (ROA) of at least 4.5%. This aligns with their broader strategic focus on achieving sustainable growth and operational efficiency.
- **Management's Guidance:**
- Management has indicated a forward-looking target of maintaining a return on assets at 4.5% while achieving return on equity (ROE) of over 25% in the upcoming quarters.
- **Actual Results:**
['Q1', '2025']:
- ROAA: 4.79%
['Q4', '2024']:
- ROAA for FY24 is 7.1%.
['Q2', '2025']:
- a9f1cf55846426822c7de353f4fc0547 --> INR 865 Crore ROAA: 3.65%
['Q3', '2024']:
- The actual Return on Assets (ROA) reported for Q3 2024 was in the range of 7% to 7.5%, significantly exceeding the management's guidance target of 4.5%.
- **Evaluation:**
- **Expectations Exceeded**: Management targeted an ROA of at least 4.5%, but the actual ROA consistently exceeded this target in Q3 2024 (7% to 7.5%) and FY24 (7.1%), demonstrating stronger performance than expected.

5. Capital Adequacy Ratio (CAR)
- **Narrative:** Management has expressed a strategic focus on ensuring that the company's capital adequacy remains robust while they pursue growth targets. This includes leveraging equity capital to achieve an asset under management goal of INR5,000 crores, all the while maintaining a healthy capital adequacy ratio (CAR).
- **Management's Guidance:**
- Management aims to keep the CAR stable in the range of 22% to 24% as they increase leverage in line with their equity expansion. This strategic move is

expected to support the company's growth plans without compromising financial stability.
- **Actual Results:**
['Q2', '2025']:
- CRAR for Arman (Standalone) was reported as 39% and CRAR for Namra was reported as 44% in the specified period.
['Q3', '2024']:
- CRAR (%) for March, June, September 2023: 65.8%, 31.6%, 35.2%
['Q1', '2025']:
- CRAR (%): 65.8% (Sep-23), 62.7% (Dec-23), 48.2% (Mar-24), 35.2% (Jun-24)
['Q4', '2024']:
- CRAR: Arman (Standalone): 62.7%; Namra: 32.8%
- **Evaluation:**
- Expectations Exceeded: The actual CRAR consistently remained well above the management's target range of 22% to 24%, with figures such as 65.8%, 62.7%, and 39% reported, indicating robust capital adequacy far exceeding expectations.

6. Geographic Expansion Plans
- **Narrative:** Management is focusing on expanding its market presence by opening new branches in strategic locations. Recently, they have entered Telangana with a specific focus on their MSME branch network, highlighting the importance of geographic diversification in their growth strategy.
- **Management's Guidance:**
- Management has initiated operations in Telangana by opening 8 new MSME branches, indicating a strategic move to capture new market opportunities within the region.
- **Actual Results:**
['Q2', '2025']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q1', '2025']:
- During the quarter, the company added 9 new branches taking total branch count to 92 branches in 5 states
['Q4', '2024']:
- Data Not Available
- **Evaluation:**
- Expectations Met: The management's guidance was to open 8 new MSME branches in Telangana, and the actual results show the company expanded by adding 9 new branches, taking the total branch count to 92, indicating the expansion plans were successfully implemented as outlined.

7. Client Acquisition Rate
- **Narrative:** Management has consistently highlighted their strategic focus on maintaining a robust growth trajectory, aiming to sustain a historical growth rate of approximately 40% CAGR. They emphasize a balanced portfolio, targeting a mix of individual and group loans in their offerings.
- **Management's Guidance:**
- Management projects a continued growth rate of 35% to 40% over the next 2 to 3 years. They plan to shift the loan mix to a 2/3 individual versus 1/3 group loan structure, integrating various products such as IBL, MSME, Micro LAP, and two-wheeler loans within the next 3 to 4 years.
- **Actual Results:**
['Q4', '2024']:
- Data Not Available
['Q2', '2025']:
- Approximately 8 Lakhs Active Customer Base
['Q3', '2024']:
- Active Customer Base More than 7.6 Lakhs
['Q1', '2025']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q2 2024

1. Geographic Expansion Plans
- **Narrative:** Management has outlined a strategy to optimize their branch network through a process of splitting existing branches once they reach a certain portfolio size. This approach aims to mitigate risk and enhance operational efficiency, thereby fostering growth in key markets.
- **Management's Guidance:**
- Management anticipates substantial growth and increased traction from these newly established branches by Q4 of this fiscal year.
- **Actual Results:**
['Q3', '2024']:
- Arman Financial Services Ltd. is operational in 10 states with a total branch network of 394, of which 73 branches have been added in the last 12 months, yielding positive outcomes.
['Q1', '2025']:
- We have opened 91 new branches over the last 12 months, bringing our total branch count to 434.
['Q2', '2024']:
- During Q2 2024, the company expanded its branch network by adding 42 branches, bringing the total to 385 branches operational across 10 states.
['Q4', '2024']:
- In terms of branch expansion, we have opened 67 new branches over the last 12 months, bringing our total branch count to 402 branches.
- **Evaluation:**

- **Expectations Exceeded**: Management anticipated substantial growth from the new branches by Q4, and the actual results showed a more rapid expansion than expected, with 91 new branches in 12 months, indicating stronger-than-anticipated traction and growth.

2. Client Acquisition Rate
- **Narrative:** The management has indicated a strategic shift towards increasing the weightage of individual loans within the company's portfolio over the long term. This is expected to reflect a significant portion of their client acquisition strategy, which may lead to enhanced market positioning.
- **Management's Guidance:**
- Management envisions that in the next 3 to 5 years, individual loans will constitute about one-third of the portfolio, indicating a strategic pivot towards this segment to potentially boost client acquisition rates.
- **Actual Results:**
['Q4', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q1', '2025']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

Q1 2024

1. Loan Portfolio Quality
- **Narrative:** Management highlighted their approach to bolster the loan portfolio quality through strategic provisioning. This involves creating a management overlay to mitigate potential risks and enhance the robustness of the financial framework.
- **Management's Guidance:**
- Management plans to continue creating a management overlay with current provisioning at Rs.73 Crores, representing 3.5% of the portfolio.
- **Actual Results:**
['Q4', '2024']:
- Overall, the provisions at the AUM level is about 4%.
['Q1', '2024']:
- For the quarter, cumulative provisions stood at Rs.72 Crores, which is about 3.4% of the total book.
['Q3', '2024']:
- We have taken aggressive provisioning this quarter, refraining from utilizing any available overlays which amounted to a balance of INR27 crores.
['Q2', '2024']:
- Cumulative Provisions stood at ~INR 15.9 Crore as on 30th September 2023 (covering 4.43% of the consolidated AUM, 4.74% on book)
- **Evaluation:**
- **Expectations Exceeded**: Management aimed for provisioning at 3.5% of the portfolio, but the actual results showed provisions reaching up to 4.43% of the AUM, indicating a more robust coverage than initially guided.

2. Cost-to-Income Ratio
- **Narrative:** Management addressed the anticipated all-inclusive cost structure, emphasizing a target of maintaining cost efficiency.
- **Management's Guidance:**
- Management indicated that the all-inclusive cost will be about 12.5%, suggesting a focus on controlling expenses to improve the cost-to-income ratio.
- **Actual Results:**
['Q3', '2024']:
- Cost to income stood at 25.7%.
['Q2', '2024']:
- 2fca68e61d3bf903106f5635e56262ee --> [Arman Financial Services Limited] Cost to income for the quarter stood at about 25%.
['Q4', '2024']:
- Cost to income stood at 26.6%.
['Q1', '2024']:
- Cost to income for the quarter stood at 26% as compared to 37% over the same period last year.
- **Evaluation:**
- Expectations Not Met: Management targeted a cost-to-income ratio of 12.5%, but actual results ranged from 25% to 26.6% over the subsequent quarters, significantly higher than the expected target.

3. Return on Assets
- **Narrative:** Management highlighted their focus on enhancing asset utilization to improve overall return on assets. They are actively engaging in strategies that are expected to optimize asset performance over the coming quarters.
- **Management's Guidance:**
- Management indicated that the income generated will be reflective of their asset utilization strategies, with expected impacts over the next seven to eight quarters.
- **Actual Results:**
['Q4', '2024']:
- Return on Average AUM Q4 FY24: 6.8%
['Q1', '2024']:
- ROAA: 7.8%

['Q3', '2024']:
- ROA is reported to be in the 7% to 7.5% range for Q3 FY24.
['Q2', '2024']:
- ROAA for Q2 2024 is 7.61%.
- **Evaluation:**
- Expectations Not Met: Management's guidance anticipated improved asset utilization impacting return on assets over several quarters, but the actual ROAA figures fluctuated, showing a decline from 7.8% in Q1 to 6.8% in Q4 FY24, indicating that the expected optimization did not materialize as projected.

4. Market Share in Microfinance Sector
- **Narrative:** Management has articulated a clear strategy to increase the company's market share within the microfinance sector. They aim to achieve this through targeted efforts that are expected to enhance their competitive positioning over the coming years.
- **Management's Guidance:**
- Management has set a goal to expand the company's market share by 5% within the next two years.
- **Actual Results:**
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q4', '2024']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

5. Geographic Expansion Plans
- **Narrative:** Management highlighted a strategic focus on expanding both in existing states and evaluating opportunities for entering new states. The aim is to strategically position the company for long-term growth by planting seeds in new areas before market saturation makes it more challenging to enter.
- **Management's Guidance:**
- The company is committed to expanding its presence in new states with plans to open several new branches before the end of the fiscal year. Management is also confident that the equity funding raised last year will significantly support achieving the targeted growth in the upcoming quarter.
- **Actual Results:**
['Q3', '2024']:
- Arman Financial Services Ltd. The company is currently operational in 10 states with a total branch network of 394, of which 73 branches have been added in the last 12 months, which too are yielding positive outcomes.
['Q2', '2024']:
- The company is currently operational in 10 states with a branch network of 385 branches. We've expanded our footprints further by adding 42 branches in the last 1 quarter. During the quarter, the company added 2 new branches.
['Q4', '2024']:
- In terms of branch expansion, the company reported opening 67 new branches over the last 12 months, bringing the total branch count to 402 branches. The number of branches as of 31st March 2024 stood at 402, while the active customer base was approximately 8 lakh.
['Q1', '2024']:
- In the quarter, we opened seven new branches bringing the total branch count to 343 with workforce of about 2900 employees and customer base of almost 7 lakhs across 10 states.
- **Evaluation:**
- Expectations Exceeded: The company exceeded management's guidance by opening 73 new branches over the last 12 months, surpassing the planned expansion, and achieving positive outcomes, thereby strategically positioning for long-term growth.

6. Client Acquisition Rate
- **Narrative:** The management has reiterated their focus on maintaining a strong client acquisition rate by targeting a consistent compound annual growth rate (CAGR) which reflects their confidence in sustaining growth momentum over an extended period.
- **Management's Guidance:**
- Management indicates a long-term target of maintaining a CAGR of 35% to 40% over the next three to four years.
- **Actual Results:**
['Q4', '2024']:
- Data Not Available
['Q1', '2024']:
- During Q1 2024, the company added 51,100 new customers, and the active microfinance institution (MFI) customer base stood at 6 lakhs. This reflects the company's efforts in client acquisition within the stated period.
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

7. Use of Digital Platforms for Loan Disbursement
- **Narrative:** Management highlighted the company's initiative to integrate Aadhaar-based digital signatures to streamline the loan disbursement process, aiming to enhance efficiency and accessibility for all customers.

- **Management's Guidance:**
- Management indicated the rollout of Aadhaar-based digital signatures for all customers is expected in the upcoming to next quarter.
- **Actual Results:**
['Q4', '2024']:
- Approximately 12% of the collections are done via digital mode. Increased focus on digital mode with ~10% cashless collections.
['Q1', '2024']:
- Data Not Available
['Q3', '2024']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Expectations Not Met: Management expected a full rollout of Aadhaar-based digital signatures for all customers by Q2 2024, but the actual results in Q4 2024 only show a partial digital integration with 12% collections via digital mode, indicating the rollout was not fully achieved.

Q4 2023

1. Net Interest Margin
- **Narrative:** During the discussion, management addressed the temporary impact on net interest income due to non-accrual of interest on a portion of their portfolio in the upcoming quarter.
- **Management's Guidance:**
- Management indicated that in Q1, INR311 crores will not accrue any interest income, impacting the net interest margin for that period.
- **Actual Results:**
['Q3', '2024']:
- Data Not Available
['Q4', '2023']:
- In Q4 FY23, the net interest margin stood at 14.7%, showing a sequential decline from prior quarters, aligning with management's guidance about the temporary reduction in net interest income due to non-accrual of interest.
['Q2', '2024']:
- Arman Financial Services Limited Net interest margin stood at about 14%.
['Q1', '2024']:
- The NIMs for Q1 FY2024 stood at 13.4%.
- **Evaluation:**
- Expectations Met: The net interest margin for Q1 FY2024 stood at 13.4%, which aligns with management's guidance of a temporary reduction due to the non-accrual of interest income on INR311 crores.

2. Cost-to-Income Ratio
- **Narrative:** Management provided insights into the operational efficiency by discussing the breakeven point for branches, which is achieved with 600 to 800 customers. This typically occurs within four to eight months, with an average breakeven time of six to eight months. This discussion indicates management's focus on optimizing branch operations to enhance financial performance and manage the cost-to-income ratio effectively.
- **Management's Guidance:**
- Management expects that branches will continue to reach breakeven with 600 to 800 customers within four to eight months, maintaining an average breakeven period of six to eight months.
- **Actual Results:**
['Q3', '2024']:
- Cost to income stood at 25.7%.
['Q4', '2023']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q1', '2024']:
- Cost to income for the quarter stood at 26% as compared to 37% over the same period last year.
- **Evaluation:**
- Expectations Exceeded: The cost-to-income ratio improved significantly, reducing from 37% to 26% and further to 25.7%, surpassing management's efficiency expectations by achieving better operational cost management than initially guided.

3. Capital Adequacy Ratio (CAR)
- **Narrative:** The management highlighted their current robust capital position and outlined a strategic plan to raise additional equity in the future to bolster their financial stability.
- **Management's Guidance:**
- Management indicated that they have adequate capital to raise about INR2,500 crores without resorting to any debt arrangements, and they plan to raise more equity at the INR2,500 crore mark.
- **Actual Results:**
['Q1', '2024']:
- As on June 30, 2023, the company is well capitalized with the capital adequacy ratio for the standalone business at 31.64% and for the subsidiary Namra at 26.32%.
['Q3', '2024']:
- CRAR (%) for March, June, September 2023: 65.8%, 31.6%, 35.2%
['Q4', '2023']:

- The company is well capitalized with capital adequacy ratio for the stand-alone business at 32.61% and Namra is 25.62%.
['Q2', '2024']:
- Shareholder's Equity INR 470 Crore *CRAR: Arman (Standalone): 35.15%; CRAR: Namra Finance: 25.75%*
- *Evaluation:**
- Expectations Met: Management's guidance to maintain a strong capital position was met, with the capital adequacy ratio consistently robust across the reported periods, aligning well with their strategic plan.

4. Market Share in Microfinance Sector
- **Narrative:** Management has communicated a cautious approach towards expanding market share in the microfinance sector. They highlighted that the segment will not constitute a significant portion of the portfolio in the near term.
- **Management's Guidance:**
- Management anticipates that the microfinance sector will not exceed 10% of the portfolio in the coming few quarters.
- **Actual Results:**
['Q3', '2024']:
- In Q3, 2024, microfinance is about 80% of the business, which significantly exceeds the management guidance that the microfinance sector will not exceed 10% of the portfolio.
['Q4', '2023']:
- Of this INR1,943 crores AUM, around 84% is from Microfinance business, 13% is from MSME business and 3% is from Two-Wheeler business.
['Q2', '2024']:
- Data Not Available
['Q1', '2024']:
- Of this book of Rs.2143 Crores, our microfinance business continues about 84%, MSME about 13% and two-wheeler about 3%.
- **Evaluation:**
- Expectations Exceeded: Management expected the microfinance sector to constitute no more than 10% of the portfolio, but actual results show it comprises around 80-84% of the business, significantly surpassing the guidance.

5. Geographic Expansion Plans
- **Narrative:** Management has articulated a clear strategy for geographic expansion, emphasizing their intent to broaden their presence within existing states while also exploring opportunities to extend their footprint into two to three additional states. This expansion is aligned with the company's vision of enhancing its market position and growth in the microfinance sector.
- **Management's Guidance:**
- The company plans to open between 50 to 70 new branches for Microfinance and MSME this year, with 32 branches already underway and the remainder expected in the next quarter. The continuous expansion in current states and potential entry into new states is expected to drive growth.
- **Actual Results:**
['Q3', '2024']:
- Arman Financial Services Ltd. reported that the company is operational in 10 states with a total branch network of 394, of which 73 branches have been added in the last 12 months.
['Q4', '2023']:
- During the year, we opened 44 new branches, taking our total branch count to 336.
['Q2', '2024']:
- The company has expanded its footprint by adding 42 branches in the last quarter, indicating progress in their geographic expansion plans.
['Q1', '2024']:
- In Q1 2024, the company opened seven new branches, bringing the total branch count to 343. Operations were spread across 10 states, including the entry into new states like Telangana with 3 branches. The company maintained a workforce of about 2900 employees and a customer base of almost 7 lakhs.
- **Evaluation:**
- Expectations Exceeded: The company exceeded its goal by opening 73 new branches compared to the planned 50 to 70, and successfully expanded into new states, demonstrating stronger-than-anticipated growth in geographic expansion.

6. Client Acquisition Rate
- **Narrative:** Management has emphasized a strategic focus on expanding their client base through the addition of new customers and branches. This approach is aligned with their long-term growth strategy of maintaining a consistent growth rate. The company is also monitoring potential increases in ticket sizes, although any changes are expected to be marginal and not significantly impactful in the immediate future.
- **Management's Guidance:**
- Management aims to maintain a Compound Annual Growth Rate (CAGR) of 35% to 40%, reflecting the historical growth rate they have achieved over the past 10-12 years. Additionally, the primary plan for the current year is to increase the customer base and open more branches, with potential minor increases in ticket sizes projected around 7% to 10%, mainly in the latter half of the year.
- **Actual Results:**
['Q1', '2024']:
- During Q1 2024, the company reported the addition of 51,100 new customers, with the active MFI customer base reaching 6 lakhs.
['Q3', '2024']:
- Active Customer Base More than 7.6 Lakhs
['Q4', '2023']:
- In Q4 FY23, the active MFI customer base stood at 5.4 lakhs, with more than 30,000 new customers added during the quarter.
['Q2', '2024']:
- Active More than 7.2 Lakhs Customer Base
- **Evaluation:**
- Expectations Met: The company's active customer base increased from 5.4 lakhs in Q4 FY23 to more than 7.6 lakhs by Q3 2024, aligning with management's guidance to expand the customer base and maintain historical growth rates.

7. Use of Digital Platforms for Loan Disbursement
- **Narrative:** Management has indicated their ongoing commitment to technological integration with a focus on enhancing loan disbursement processes through digital platforms. This strategic move is aimed at improving operational efficiency and customer experience.
- **Management's Guidance:**
- Management is planning to develop a new ESOP tool, expected to be released soon, reflecting their continuous investment in technology to support future growth and streamline operations.
- **Actual Results:**
['Q1', '2024']:
- 1b639dde69b9185ea455df709d3ba25c --> [100% Cashless disbursements 2021]
['Q3', '2024']:
- Data Not Available
['Q4', '2023']:
- In Q4 2023, management reported that all loans were disbursed cashless, reflecting the company's commitment to technological integration and the use of digital platforms for loan disbursement.
['Q2', '2024']:
- Data Not Available
- **Evaluation:**
- Expectations Exceeded: Management's goal of enhancing loan disbursement processes through digital platforms was surpassed, as evidenced by the achievement of 100% cashless disbursements by Q4 2023, indicating a successful integration of technology.

8. Debt-to-Equity Ratio
- **Narrative:** Management highlighted their strategic focus on maintaining a balanced Debt-to-Equity Ratio while continuing to grow their Asset Under Management (AUM). This involves leveraging additional funding to upscale operations, indicating a strategic maneuver to balance growth with financial stability.
- **Management's Guidance:**
- Management anticipates an increase in AUM to approximately INR2,800 crores to INR2,900 crores through additional funding initiatives ranging between INR300 crores to INR400 crores.
- **Actual Results:**
['Q1', '2024']:
- The debt to equity ratio stood at 3.4x.
['Q3', '2024']:
- Comfortable debt-to-equity ratio now of about 2.1x, post the QIP.
['Q4', '2023']:
- In Q4 2023, the debt-to-equity ratio was reported as 3.3:1, indicating a balanced level in line with management's focus on financial stability.
['Q2', '2024']:
- Consolidated debt to equity ratio of 3.4:1
- **Evaluation:**
- Expectations Met: Management's strategic focus was on maintaining a balanced Debt-to-Equity Ratio while growing AUM. The Debt-to-Equity Ratio remained aligned with their focus on financial stability, moving from 3.4x to a more comfortable 2.1x, indicating their guidance was met.

Q3 2023

1. Net Interest Margin
- **Narrative:** Management discussed the expected changes in the net interest margin (NIM) driven by the transition from older, lower-interest portfolios to newer, higher-margin portfolios. This transition is anticipated to slightly enhance the company's NIM as the remaining lower-margin assets phase out.
- **Management's Guidance:**
- Management projects the net interest margin to experience a marginal increase as the older lower interest portfolios are replaced by higher margin portfolios. Additionally, they foresee a potential 25 basis points increase in the NIM in the near future.
- **Actual Results:**
['Q4', '2023']:
- In Q4 FY23, the net interest margin was reported at 14.7%, not achieving the projected 25 basis points increase as anticipated by management.
['Q2', '2024']:
- In Q2 FY24, the net interest margin stood at about 14%.
['Q3', '2023']:
- Our NIMs for the quarter stood at 14.8%.
['Q1', '2024']:
- The NIMs for Q1 FY2024 stood at 13.4%.
- **Evaluation:**
- Expectations Not Met: Despite management's guidance projecting a marginal increase in the NIM with a potential 25 basis points rise, actual results showed a decline to 13.4% in Q1 FY2024, and the NIM did not reach the anticipated increase in most quarters.

2. Loan Portfolio Quality
- **Narrative:** Management acknowledged the anticipated loan loss in the microfinance segment, projecting it to stabilize within a range of 2% to 2.5% moving forward. This indicates a focus on maintaining the quality of the loan portfolio while navigating potential challenges in the sector.
- **Management's Guidance:**
- Management anticipates a loan loss rate of 2% to 2.5% in the microfinance portfolio in future periods.
- **Actual Results:**
['Q4', '2023']:
- Data Not Available
['Q2', '2024']:

- Data Not Available
['Q3', '2023']:
- The asset quality has deteriorated from 3% to 3.3% sequentially.
['Q1', '2024']:
- The actual loan loss rate for the microfinance portfolio was reported as about 2% of the microfinance book during Q1 FY24.
- **Evaluation:**
- Expectations Not Met: The management anticipated a loan loss rate of 2% to 2.5%, but the actual asset quality deteriorated to 3% to 3.3% in Q3 2023, indicating the expectations were not met.

3. Cost-to-Income Ratio
- **Narrative:** Management emphasized their intent to maintain the cost-to-income ratio at current levels, highlighting a stable approach towards managing operational efficiency and financial stability.
- **Management's Guidance:**
- Management expressed their hope to maintain the cost-to-income ratio at current levels for the next couple of quarters.
- **Actual Results:**
['Q4', '2023']:
- Data Not Available
['Q2', '2024']:
- Arman Financial Services Limited. Cost to income for the quarter stood at about 25%.
['Q3', '2023']:
- Cost to Income Ratio (%) 52.6%, 36.0%, 34.9%, 33.9%, 32.2% for Q3 FY22 to Q3 FY23
['Q1', '2024']:
- Cost to income for the quarter stood at 26% as compared to 37% over the same period last year.
- **Evaluation:**
- Expectations Exceeded: The management aimed to maintain the cost-to-income ratio at current levels, but the actual results show a significant improvement from 37% to 26% and then further to 25%, surpassing the management's stability-focused guidance.

4. Capital Adequacy Ratio (CAR)
- **Narrative:** Management focused on enhancing the equity base to solidify the company's capital structure, aiming for improved capital adequacy in the upcoming quarters.
- **Management's Guidance:**
- On a fully-diluted basis, assuming full convergence of all convertible instruments within the next 15 months, the total equity base stands at INR 383 crores.
- **Actual Results:**
['Q1', '2024']:
- As on June 30, 2023, the company is well capitalized with the capital adequacy ratio for the standalone business at 31.64% and for the subsidiary Namra at 26.32%.
['Q4', '2023']:
- The company is well capitalized with capital adequacy ratio for the stand-alone business at 32.61% and Namra is 25.62%.
['Q2', '2024']:
- Shareholder’s Equity INR 470 Crore CRAR: Arman (Standalone): 35.15%; CRAR: Namra Finance: 25.75%
['Q3', '2023']:
- Capital adequacy for Arman stood at 48% while the subsidiary Namra stood at 21.6%.
- **Evaluation:**
- Expectations Exceeded: The management aimed to enhance the capital adequacy, and the actual results showed a significant increase in the Capital Adequacy Ratio (CAR) for Arman, reaching 35.15% by Q2 2024, which exceeds the typical expectations for capital adequacy improvements.

5. Tier 1 Capital Ratio
- **Narrative:** Management highlighted a strategic initiative involving the issuance of Compulsorily Convertible Debentures (CCDs) aimed at bolstering the Tier 1 capital ratio. The conversion of these instruments into equity is planned to enhance the company's capital structure.
- **Management's Guidance:**
- The management anticipates that these CCDs, amounting to INR 76 crores, will convert into tier-one equity within approximately 13.5 months, specifically by March 2024.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
['Q4', '2023']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

6. Geographic Expansion Plans
- **Narrative:** Management outlined plans to broaden the company's operational footprint by entering three new markets in the upcoming two years, highlighting a strategic focus on geographic expansion.
- **Management's Guidance:**
- Management anticipates entering three new markets over the next two years.
- **Actual Results:**

['Q4', '2023']:
- Data Not Available
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- In Q1 2024, the company commenced operations in the states of Haryana and Bihar, entered the new states of Telangana and Jharkhand, and expanded into Rajasthan. Additionally, they entered a new state of Telangana with 3 branches.
- **Evaluation:**
- Expectations Exceeded: The company exceeded its geographic expansion plans by entering five new states, surpassing the management's guidance of three new markets over two years.

7. Client Acquisition Rate
- **Narrative:** The management has been focusing on scaling disbursements and achieving targeted Assets Under Management (AUMs) while maintaining book quality and profitability. This reflects their strategic direction towards enhancing market position and sustaining growth in the upcoming quarters.
- **Management's Guidance:**
- The company is on track to scale its disbursements and achieve targeted AUMs while maintaining book quality and profitability in the coming quarters.
- **Actual Results:**
['Q1', '2024']:
- During Q1 2024, the company added 51,100 new customers, and the active Microfinance Institution (MFI) customer base stood at 6 Lakhs.
['Q4', '2023']:
- Active MFI Customer base stood at 5.4 Lakhs and added more than 30,000 new customers in Q4 FY23
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- Active MFI Customer base stood at 5.1 Lakhs and added more than 37,000 new customers in Q3 FY23
- **Evaluation:**
- Expectations Met: The company steadily increased its active MFI customer base from 5.1 Lakhs in Q3 FY23 to 6 Lakhs in Q1 2024, adding a significant number of new customers each quarter, aligning with management's guidance to scale disbursements and achieve targeted AUMs.

8. Impact Assessment Studies
- **Narrative:** Management has outlined a clear commitment towards enhancing the company's social impact through targeted initiatives. They have emphasized the significance of measuring and improving their environmental and social footprint as a core component of their strategic objectives.
- **Management's Guidance:**
- Management expects to reduce the company's carbon footprint by 20% by 2025.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
['Q4', '2023']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.

9. Debt-to-Equity Ratio
- **Narrative:** Management has reiterated its strategy to maintain a disciplined approach to managing the company's debt-to-equity ratio. The discussion highlighted the company's commitment to not exceeding a 5x debt-to-equity ratio, reflecting a prudent stance towards balancing growth with financial stability.
- **Management's Guidance:**
- Management has indicated the company will strive to maintain a debt-to-equity ratio below 5x. This approach is designed to ensure financial stability while supporting potential future funding needs.
- **Actual Results:**
['Q1', '2024']:
- The debt to equity ratio stood at 3.4x.
['Q4', '2023']:
- The actual performance for Q4 2023 shows a debt-to-equity ratio of 4x, which is within the management's guidance of maintaining below 5x.
['Q2', '2024']:
- The actual debt-to-equity ratio reported for the period was 3.4, which is below the management's target of maintaining it below 5x.
['Q3', '2023']:
- The company’s equity stood at INR 332 crores with a debt-to-equity ratio of 3.6x.
- **Evaluation:**
- Expectations Met: The management's guidance was to maintain a debt-to-equity ratio below 5x, and the actual results consistently reported ratios well below this threshold, aligning with their stated financial stability goals.

10. Sources of Funding and Cost of Funds
- **Narrative:** Management discussed the anticipated rise in carry costs due to holding a larger cash balance by the end of March 31st. This strategy is in response to expected slower debt volumes in the first quarter, which aligns with historical trends.

- **Management's Guidance:**
- Management expects slightly higher carry costs as a result of maintaining a larger cash reserve to address slower debt volumes typically observed in the first quarter.
- **Actual Results:**
['Q2', '2024']:
- Data Not Available
['Q3', '2023']:
- Data Not Available
['Q1', '2024']:
- Data Not Available
['Q4', '2023']:
- Data Not Available
- **Evaluation:**
- Insufficient Info: Data not available.