



January 24, 2024
The Sr. General Manager
Department of Corporate Services,
BSE Limited, 1st Floor,
PJ Towers, Dalal Street,
Mumbai 400 001

Sub: Financial Covenant – Series IX (Tranche I)

Ref.: Arka Fincap Limited

Dear Sir/Madam,

This communication is in terms of Regulation 51(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to the Non-Convertible Debentures (NCDs) issued and allotted under ISIN INE03W107124 under the Tranche Placement Memorandum dated August 30, 2022.

The Tranche Placement Memorandum and Clause 10.11 of Specific Financial Covenants and Conditions of the Debenture Trust Deed dated September 6, 2022, inter alia, states as under:

“The Accelerated Redemption Option clause for redemption of the amount outstanding (principal, redemption premium (if applicable), coupon etc.) against the Debentures, can be triggered by Investor, if one or more of the following covenants are breached at any time up to the final redemption date of the Debentures: [If any covenant is breached and if Accelerated Redemption Option clause is triggered by Investor, the Issuer shall make all the outstanding payments due on the Debentures within “15” Business Days from the date of exercise of Accelerated Redemption Option (by written notice or email by Investor).”

1. There is a rating downgrade in the issuer and / or any of subsidiaries by one notch by any rating agencies of any of its facilities / instruments
2. Gross NPA [90+ DPD] + Restructured Assets Level exceeds 3%
3. Net NPA / Tangible Networth exceeds 10%
4. Overall CAR falls below 18%
5. Debt : Equity increases 3.25x
6.

In this regard, we would like to inform you as per the unaudited financial results for the quarter and nine months ended on December 31, 2023, our Debt/Equity stands at 3.26 times, which is marginally above the aforesaid defined parameter. Further, the NCDs issued and allotted under the aforesaid ISIN are due for maturity on March 6, 2024.

In context of the above, we wish to state that there is no material adverse impact on the operations of the Company.

We request you to take the above information on your record.

For Arka Fincap Limited

Niki Mehta
Company Secretary
Membership No. A47286

Arka Fincap Limited

Registered Address: 2504, One Lodha Place, S.B. Marg, Lower Parel, Mumbai – 400013

Website: www.afl.arkaholdings.com | **Email:** info.afl@arkaholdings.com | **T:** 022 4047 1000 | **CIN:** U65993MH2018PLC308329

A **kirloskar** Group Company

The mark 'Kirloskar' in the status line is owned by Kirloskar Proprietary Limited and ARKA Fincap Limited is the permitted user.