ARKA

January 23, 2024

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

Dear Sirs/Madam,

Sub: Outcome of the Board Meeting and other intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR")

Ref.: Arka Fincap Limited

Pursuant to SEBI LODR, we wish to inform that the Board of Directors of Arka Fincap Limited ("the Company") at its meeting held today i.e., Tuesday, January 23, 2024 has *inter alia*, considered and approved the following:

- i. Unaudited Financial Results for the third quarter and nine months ended December 31, 2023 prepared pursuant to Regulation 52 of SEBI LODR;
- ii. Based on the recommendation of the Nomination & Remuneration Committee:
 - a) re-appointment of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from April 24, 2024 upto April 23, 2029, subject to the approval of the shareholders of the Company;
 - b) re-appointment of Mr. Vijay Chugh (DIN: 07112794) as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from April 24, 2024 upto April 23, 2029, subject to the approval of the shareholders of the Company.

In above context, please find enclosed herewith the following as **Annexure I**:

- i. Unaudited Financial Results for the third quarter and nine months ended December 31, 2023; and
- ii. Limited Review Report by P G Bhagwat LLP, Chartered Accountants, ("P G Bhagwat") on the aforesaid financial results.

Further, please find enclosed certificate issued by P G Bhagwat at Annexure II required under Regulation 54 of SEBI LODR

Pursuant to Regulation 52(7) of the SEBI LODR, we hereby confirm that the proceeds of the Non-Convertible Debentures ("NCDs") issued and allotted by the Company during the quarter ended December 31, 2023 and listed on BSE Limited have been utilised for the purpose for which these proceeds were raised. In the said context, please find attached statement indicating the utilisation of the issue proceeds of NCDs at **Annexure III**.

The Board Meeting commenced at 3.30 p.m. (IST) and concluded at 6.55 p.m. (IST).

Request you to kindly take the above on record and disseminate the same on your website.

Thank You.

Yours faithfully, For Arka Fincap Limited Niki Chirag Digitally signed by Niki Chirag Mehta Mehta Disc 2024.01.23 Niki Mehta Company Secretary Membership No.: A47286 Encl: as above

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.



HEAD OFFICE Suite 102, 'Orchard', Dr. Pai Marg, Baner, Pune - 411045. Tel.: 020 - 27290771 / 1772 / 1773 Email : pgb@pgbhagwatca.com Web : www.pgbhagwatca.com

Limited Review Report for unaudited quarterly and year to date results pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of

Arka Fincap Limited 2504, 2505, 2506, 25th Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, India

Introduction

We have reviewed the accompanying Statement of unaudited financial results of Arka Fincap Limited ("the Company") for the quarter ended 31 December 2023 and year-to-date results for the period from 01 April 2023 to 31 December 2023 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

We draw attention to Note No. 8 of the Statement, regarding additional provision of INR 3089.09 lakhs against its investments in Alternate Investment Funds (AIFs) as per RBI circular RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023.

Our conclusion is not modified in respect of this matter.

For P G BHAGWAT LLP

Chartered Accountants

Firm's Registration Number: 101118W/W100682

DEO NACHIKET RATNAKAR BATNAKAR Date: 2024.01.23 18:34:03 +05'30'

Nachiket Deo Partner Membership No. 117695 UDIN: 24117695BKCKGX7101 Place: Pune Date: 23rd January 2024

Arka Fincap Limited

Regd. Office: 2504, 2505, 2506, 25th Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, India Tel: +91 22 40471000 CIN: U65993MH2018PLC308329 Website: www.arkafincap.com E-mail: arkasecretarialandcompliance@arkaholdings.com STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

							(₹ in Lakhs)
			Quarter Ended		Nine Mon	ths Ended	Year Ended
Sr. No.	Particulars	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
-	(a) Interest income	12,632.44	11,474.30	9,118.17	35,666.85	24,273.91	35,074.05
	(b) Fees and commission income	153.77	220.13	226.50	605.93	661.50	810.25
	(c) Gain on derecognition of financial assets measured at amortised cost	1,488.61	371.35	-	2,269.92	-	-
	(d) Net gain on sale of investments	403.07	684.60	344.51	1,607.77	865.06	1,182.01
	(e) Net gain on fair value changes of investments	3.93	(79.99)	-	3.98	-	-
	Total revenue from operations	14,681.82	12,670.39	9,689.18	40,154.45	25,800.47	37,066.31
2	Other income	337.62	281.73	57.04	712.79	131.97	222.57
3	Total income (1+2)	15,019.44	12,952.12	9,746.22	40,867.24	25,932.44	37,288.88
		-,	,	., .	.,		.,
4	Expenses						
	(a) Finance costs	7,795.77	7,090.87	5,289.26	22,240.55	13,442.22	19,617.28
	(b) Net loss on fair value changes	-	-	(42.01)	-	9.21	76.10
	(c) Impairment on financial instruments	319.88	548.57	189.84	2,025.54	366.61	598.76
	(d) Employee benefit expenses	2,166,46	1.847.25	1,468.54	5.316.09	3.948.32	6,311.95
	(e) Depreciation and amortisation expenses	185.85	207.20	99.64	591.03	293.20	393.60
	(f) Other expenses	806.32	707.82	453.18	2,170.64	1,258.33	2,010.72
	Total expenses	11,274.28	10,401.71	7,458.45	32,343.85	19,317.89	29,008.41
	· · · · · · · · · · · · · · · · · · ·			.,			
5	Profit before exceptional items and tax (3-4)	3,745.16	2,550.41	2,287.77	8,523.39	6,614.55	8,280.47
			_,		-,	-,	-,
	Exceptional items - Expenses / (Income) (refer note 8)	3.089.09	-	-	3.089.09	-	-
	Exceptional terms Expenses/ (income) (refer note b)	5,005105			5,005.05		
6	Profit before tax	656.07	2.550.41	2.287.77	5.434.30	6.614.55	8.280.47
			_,			-,	-,
7	Tax expense						
	(a) Current tax	680.61	635.67	989.00	1.484.42	2,285.53	2.450.07
	(b) (Excess)/Short provision related to earlier years		-	-		333.12	333.12
	(c) Deferred tax	(494.24)	29.52	(545.87)	(51.49)	(917.63)	(639.18)
	Total tax expenses	186.37	665.19	443.13	1.432.93	1,701.02	2,144.01
		100107	000.13	446125	1,402.00	1,701102	2,244102
8	Profit after tax (5-6)	469.70	1.885.22	1.844.64	4.001.37	4.913.53	6.136.46
-		405170	1,000122	2,011101	4,002107	4,510.00	0,100.10
9	Other comprehensive income, net of tax						
	(a) Items that will not be reclassified to profit and loss	-	-	-	-	-	(2.75)
	(b) Items that will be reclassified to profit and loss	-	-	-		-	(2.7.5)
	Total other comprehensive income, net of tax						(2.75)
			-			-	(2.75)
10	Total comprehensive income (7+8)	469.70	1.885.22	1,844.64	4.001.37	4.913.53	6,133.71
10		405.70	1,005.22	1,044.04	4,001.57	4,513.33	0,133.71
11	Paid-up equity share capital (Face value of ₹ 10/- each)	92,872.81	92,872.81	88,402.23	92,872.81	88,402.23	88,402.23
	and up equity share capital (race value or 1 20/- each)	52,072.01	52,072.01	00,402.23	52,072.01	00,402.23	00,402.23
12	Other equity	21,843.28	21,322.04	15,178.58	21,843.28	15,178.58	16,450.73
- 12		21,043.20	21,522.04	13,178.38	21,043.20	13,178.38	10,400.75
13	Earning per share (In ₹)						
12	(a) Basic (Not Annualised)	0.05	0.21	0.21	0.44	0.58	0.72
	(a) Basic (Not Annualised) (b) Diluted (Not Annualised)	0.05	0.21	0.21	0.44	0.58	0.72
I	(o) Diruce (Not Annualiseu)	0.05	0.20	0.21	0.43	0.58	0.71
L							

Notes

1 Arka Fincap Limited ("the Company") is Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India and is categorised as a 'Middle-layer' NBFC in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

- 2 The financial results of the Company have been prepared in accordance with the Indian Accounting Standard ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 3 This financial results have been prepared in compliance with Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and SEBI Operational Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/000000103 dated 29 July 2022, inter alia, applicable to listed Companies whose non-convertible securities are listed on recognised stock exchanges.
- 4 During the nine months ended 31 December 2023, the Company has issued and allotted 4,47,05,842 equity shares of face value of ₹ 10 per equity share at a premium of ₹ 2.75 per equity share amounting to ₹ 5,699.99 Lakhs, on rights basis.
- 5 The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.

Contd...2

DEO NACHIKET RATNAKAR Date: 2024.01.23 18:14:13 +05'30'

Digitally signed by VIMAL BHANDARI VIMAL BHANDARI Date: 2024.01.23 17:20:41 +05'30'

- 6 During the nine months ended 31 December 2023, the Company has issued and allotted (i) 7,500 Unsecured, Listed, Rated, Redeemable, Non-Convertible Subordinated Debentures as Tier II Capital of face value of Rs.1,00,000/- each, aggregating to Rs. 7,500 Lakhs on a private placement basis (iii) 30,00,000 Senior, Secured, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of Rs.1,000/- each, aggregating to Rs. 30,000 Lakhs through public issue. The MLDs are rated as CRISIL PPMLD AA-r/Positive and the NCDs are rated as CRISIL AA-/Positive.
- The Secured Non-Convertible Debentures of the Company as on 31 December 2023 are secured by first pari-passu charge over the receivables, including cash and cash equivalent and liquid investments of the Company. 7 The security cover to the minimum extent of 100% or such higher cover as per the offer documents read with Debenture Trust Deeds executed for each of the series/tranches has been maintained by the Company.
- During the quarter ended 31 December 2023, the Company has made provision of 🕏 3,089.09 lakh against its investments in Alternate Investment Funds (AIFs) as per RBI circular RBI/2023-24/90 8 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023
- Details of loans transferred / acquired during the nine months ended 31 December 2023 under the Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 vide circular RBI/DOR/2021-22/86 9 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 are given below:

(i) Details of loans not in default acquired through assignments:

Aggregate amount of loans acquired (in Lakhs)	15,422.17
Weighted average residual maturity (in years)	1.61
Weighted average holding period by originator (in years)	0.85
Retention of beneficial economic interest by the originator	10%
Coverage Tangible security coverage	24%
Rating-wise distribution of loans	Unrated

(ii) Details of loans not in default transferred by way of Novation:

Number of loans	7
Aggregate amount of loans transferred (in Lakhs)	10,633.10
Weighted average remaining maturity (in years)	2.28
Weighted average holding period after origination (in years)	0.70
Retention of beneficial economic interest	Nil
Coverage Tangible security coverage	100%
Rating-wise distribution of loans	NA
Number of transactions where transferror has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

(iii) Details of loans not in default transferred by way of Assignment:

	500
Number of loans	582
Aggregate amount of loans transferred (in Lakhs)	26,737.62
Weighted average remaining maturity (in years)	11.74
Weighted average holding period after origination (in years)	0.86
Retention of beneficial economic interest	13%
Coverage Tangible security coverage	91%
Rating-wise distribution of loans	NA
Number of transactions where transferror has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

(iv) During the nine months ended 31 December 2023, the company has not transferred / acquired loans in default.

10 The above financial results of the Company for the nine months ended 31 December 2023 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 23 January 2024.

11 Figures for the previous period/year have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.

12 The Disclosures as required under Regulation 52(4) have been given in Annexure A.

13 The Disclosures as required under Regulation 54(3) have been given in Annexure B.

For and on behalf of the Board of Directors of Arka Fincap Limited



Place: Mumbai Date: 23 January 2024

Executive Vice Chairman and CEO DIN: 00001318

Vimal Bhandari



Page No. 2

Annexure A Disclosures in accordance with Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

		[Quarter Ended		Nine Mon	the Ended	(₹ in Lakhs Year Ended
Sr no.	Particulars	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
51 1101	- articulars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Debt-equity ratio ¹	3.26 : 1	2.79 : 1	2.41 : 1	3.26 : 1	2.41 : 1	3.02 : 1
(b)	Debt service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(c)	Interest service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Capital redemption reserve	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(f)	Debenture redemption reserve ³	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(g)	Net worth ⁴	1,13,104.61	1,13,083.30	1,01,732.36	1,13,104.61	1,01,732.36	1,03,303.99
(h)	Net profit after tax	469.70	1,885.22	1,844.64	4,001.37	4,913.53	6,136.46
(i)	Earning per share (In 국) (a) Basic (Not Annualised) (b) Diluted (Not Annualised)	0.05 0.05	0.21 0.20	0.21 0.21	0.44 0.43	0.58 0.58	0.72 0.71
(i)	Current ratio ⁵	1.14 : 1	1.19 : 1	1.26 : 1	1.14 : 1	1.26:1	1.29 : 1
(k)	Long term debt to working capital ⁶	8.32 : 1	6.23 : 1	4.47 : 1	8.32 : 1	4.47:1	4.25 : 1
(I)	Bad debts to Account receivable ratio	0.32%	0.31%	0.00%	0.32%	0.00%	0.01%
(m)	Current liability ratio ⁷	0.47 : 1	0.45 : 1	0.47 : 1	0.47 : 1	0.47 : 1	0.45 : 1
(n)	Total debts to total assets ⁸	0.77 : 1	0.75 : 1	0.71 : 1	0.77 : 1	0.71 : 1	0.76:1
(o)	Debtors turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(s)	Gross NPA (%)	0.21%	0.19%	0.00%	0.21%	0.00%	0.01%
(t)	Net NPA (%)	0.05%	0.05%	0.00%	0.05%	0.00%	Nil
(u)	Capital adequacy ratio (CRAR)	25.61%	27.59%	29.75%	25.61%	29.75%	25.48%
(v)	There is no material deviation in the use of proceeds from the	l issue of Non-Convertible	Debentures.				

Notes:

 Notes:

 (1)
 Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Debt.

 (2)
 The Company being a Non-Banking Financial Company registered with the Reserve Bank of India, these ratios are not applicable

 (3)
 The Company being a Non-Banking Financial Company registered with the Reserve Bank of India, these ratios are not applicable

 (4)
 Net worth/ Equity = Equity Share Capital + Other Equity - Deferred Tax Assets – Intangible assets

 (5)
 Current ratio = Current labilities.

 (6)
 (a) Long term debt = debt repayable after 12 months. (b) working capital = current assets - current liability

 (7)
 Current Liability Ratio = Current Liabilities.

 (9)
 Total debt = Total Liabilities / Total Liabilities.

(8) Total debt = Total Liabilities
 (9) The Company is not a manufacturing and trading Company hence, Debtors turnover ratio, Inventory turnover ratio, Operating margin, Net profit margin are not applicable to it.

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Annexure B (As require	ed under Regulation 54	(3))- Asset Cover Certifi	cate											Rs. in Crores
Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
							Assets not	Elemination						
							offered as	(Amount in			Related to only th	ose items covered by thi	s certificate	
Particulars	_	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	security	Negative)	(Total C to H)					
											Carrying/book value		Carrying/book value	
	Description of asset				Assets shared by Pari						for exclusive charge		for pari-passu charge	
	for which this				Passu debt holder	Other debt on which		debt amount		Maulust value fau	assets where market		assets where market	Tatal
	certificate relate	Debt for which this		Debt for which this	(includes debt for	there is pari-passu		considered more		Market value for	value is not	Market value for pari-	value is not	Total
		certificate is being	Other secured debt	certificate is being	which this certificate	charge (excluding		than once (due to		assets charged on	ascertainable or	passu charge assets viii	ascertainable or	Value=(K+L+
		used		used	is issued & other debt	items covered in		exclusive plus pari		exclusive basis	applicable(For eg.		applicable(For eg.	M+N)
					with pari passu	column F)		passu charge)			Bank Balance, DSRA market value is not		Bank Balance, DSRA market value is not	
					charge)						applicable)		applicable)	
											applicable)	Relating to		
		Book Value	Book Value	Yes/No	Book Value	Book Value						iterating t	Column	
ASSETS														
Property, Plant &														
Equipment							7.91		7.91					ļ'
Capital Work-in-														1
progress							0.12		0.12					↓ ′
Right of Use assets							8.95		8.95					ļ]
Goodwill Intangible Assets							2.67		- 2.67					┟────┤
Intelligible Assets							2.07		2.07					<u>├</u> ────┦
Intangible Assets														ĺ
Under Development							-		-					(I
Investments					100.06		0.01		100.08			100.06		100.06
Loans					4,454.34		0.01		4,454.35				4,454.34	4,454.34
Inventories					-		-		-					<u> </u>
Trade Receivables					-		30.00		30.00					[]
Cash & Cash														[]
Equivalents					360.18		-		360.18				360.18	360.18
Bank Balances other														(I
than Cash & Cash														1 1
Equivalents					10.05		-		10.05				10.05	10.05
Others							80.41		80.41			400.00		
TOTAL					4,924.64		130.07		5,054.71			100.06	4,824.58	4,924.64
LIABILITIES														
Debt securities to														1 1
which this certificate														1 1
pertains				Yes	1,111.06				1,111.06				1,111.06	1,111.06
Other debt sharing														1
pari-passu charge with	1								2 270 00				2 270 00	2 270 00
above debt	_			Yes	2,278.80				2,278.80				2,278.80	2,278.80
Other debt Subordinated debt	-						137.73		- 137.73					<u>├</u> ────┘
Borrowings	-						157.75		137.73					<u> </u>
Bank	not to be filled													
Debt securities							157.19		157.19					
Others]													
Trade Payables]						5.64		5.64					
Lease liabilities							11.08		11.08					
Provisions							5.18		5.18					
Others							200.88		200.88					L
TOTAL					3,389.86		517.69		3,907.55				3,389.86	3,389.86
Cover on Baals Make														1 '
Cover on Book Value Cover on Market														├─── ┘
Value ix														1 '
VUIUC IX		Exclusive Security			Pari-Passu Security									
		Cover Ratio			Cover Ratio	1.45								1
														· · · · · ·
Notes to Annexure:														
		ision and includes invest												
		ncial Assets, Other Non-f			d tax (assets)									
		ven includes interest acc		e same										
		udes unsecured comme												
		over as per the respectiv			nent									
) the numbers filled in	n the annexure are acco	rding to the unaudited fi	inancials prepared as pe	er IND-AS regulations										

PGBHAGWAT LLP Chartered Accountants | Since 1938 LLPIN: AAT 9949 HEAD OFFICE

Suite 102, 'Orchard', Dr. Pai Marg, Baner, Pune - 411045. Tel.: 020 - 27290771 / 1772 / 1773 Email : pgb@pgbhagwatca.com Web : www.pgbhagwatca.com

To, The Board of Directors Arka Fincap Limited 2504/5/6, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

Certification on book values of assets as provided in Security Cover Certificate as at 31 December 2023

Management has requested us to certify the book values of assets contained in the accompanying Statement of Security Cover (the Statement) for Arka Fincap Limited (the Company) as per Annexure I of SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022, as at 31 December 2023. The statement has been prepared by the Company for the purpose of its onward submission to Catalyst Trusteeship Limited (referred to as the 'Company's Debenture Trustee') and BSE Limited ("BSE")

Management's responsibility

- 2. The preparation of the Statement is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 3. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Regulations and for providing all relevant information to the Company's Debenture Trustee and BSE.

Auditor's responsibility

- 4. Pursuant to the request from Management and as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued in this regard, we are required to provide a limited assurance on whether the book values of the assets provided in the Statement are in agreement with the unaudited reviewed Financial Results for the period ended 31st December 2023.
- 5. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently,

LLPIN: AAT 9949

the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

- 6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

8. Based on information, explanations and representations given to us by the Company, in our opinion, the book values of assets as provided in the Statement are in agreement with the unaudited reviewed Financial Results for the period ended 31 December 2023.

Also refer to certificate issued for Compliance with Covenants dated 23rd January 2024 for adequacy of Security Cover.

Restrictions of use

9. This report has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission to the Company's Debenture Trustee and BSE pursuant to the requirements of the SEBI regulations and circulars issued thereunder. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other person to whom our report is shown or into whose hands it may come without our prior consent in writing.

P G BHAGWAT LLP Chartered Accountants FRN: 101118W/W100682 DEO NACHIKET NACHIKET RATNAKAR 18:2745 +05'30 Nachiket Deo Partner Membership No.: 117695 UDIN: 24117695BKCKGT5522 Place: Pune Date: 23rd January 2024



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Annexure- III

Name of the Issuer	Arka Fincap Limited					
ISIN	INE03W108023	INE03W107264 INE03W107215 INE03W107231 INE03W107249 INE03W107256 INE03W107223				
Mode of Fund Raising (Public issues/ Private placement)	Private	Public				
Type of instrument	Unsecured, Rated, Listed and Subordinated Non- Convertible Debenture.	Secured, Rated, Listed, Redeemable, Non- Convertible Debentures				
Date of raising funds (Date of allotment)	November 17, 2023	December 27, 2023				
Amount Raised	INR 75 Crore	INR 300 Crore				
Funds utilized	INR 75 Crore	INR 300 Crore				
Any deviation (Yes/ No)	No	No				
If any deviation, then specify the purpose of for which the funds were utilized	NA	NA				
Remarks, if any	NA	NA				
B) Statement of deviation/variation in use of	issue proceeds					
Name of the listed entity	Arka Fincap Limited					
Mode of Fund Raising	NA					
Type of instrument	NA					
Date of Raising Funds (Date of allotment)	NA					
Amount Raised	NA					
Report filed for quarter ended	NA					
Is there a deviation/ variation in use of funds raised?	NA					
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA					
If yes, details of the approval so required?	NA					
Date of approval	NA					
Explanation for the Deviation Variation	NA					
Comments of the audit committee after review	NA					
Comments of the auditors if any	NA					

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 Fincep Limited is the permitted uses

ARKA

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table: Not Applicable

	Modified Object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
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Deviation could mean:

a. Deviation in the objects or purposes for which the funds have been raised.

b. Deviation in the amount of funds actually utilized as against what was originally disclosed

Yours faithfully, For Arka Fincap Limited

Amit Kumar Gupta Chief Financial Officer