

October 25, 2023

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., Wednesday, October 25, 2023 has *inter alia*, considered and approved the following:

- i. Unaudited Financial Results for the second quarter and half year ended September 30, 2023 prepared pursuant to Regulation 52 of SEBI LODR;
- ii. Based on the recommendation of the Nomination & Remuneration Committee, appointment of Mr. R Gurumurthy (DIN: 10366010) as an Additional Independent Director of the Company with effect from October 25, 2023 for a term of 5 (five) consecutive years commencing from October 25, 2023 upto October 24, 2028, 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 second quarter and half year ended September 30, 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

We wish to further state that no non-convertible debentures were issued by the Company during the quarter ended September 30, 2023. Accordingly, pursuant to Regulation 52(7) of the SEBI LODR, a statement of "NIL" utilisation of the issue proceeds of Non-Convertible Debentures is enclosed at **Annexure III.** 

The Board Meeting commenced at 3.15 p.m. (IST) and concluded at 7.20 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 Mehta Company Secretary Membership No.: A47286

Encl: as above



HEAD OFFICE

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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**One World Center, Tower 2B,
Floor 12B, Senapati Bapat Marg,
Mumbai 400013, India.

### Introduction

We have reviewed the accompanying Statement of unaudited financial results of Arka Fincap Limited ("the Company") for the quarter ended 30 September 2023 and year-to-date results for the period from 01 April 2023 to 30 September 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.



### Conclusion

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.

# For P G BHAGWAT LLP Chartered Accountants

Firm's Registration Number: 101118W/W100682

DEO NACHIKET Digitally signed by DEO NACHIKET RATNAKAR

RATNAKAR

Date: 2023.10.25
18:17:35 +05'30'

Nachiket Deo Partner Membership No. 117695 UDIN: 23117695BGXKUS1281

Place: Pune

Date: 25<sup>th</sup> October 2023

### **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@arkafincap.com STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023

(₹ in Lakhs)

			Quarter Ended		Half Yea	r Ended	Year Ended
Sr. No.	Particulars	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	(a) Interest income	11,474.30	11,560.11	7,723.85	23,034.41	15,155.74	35,074.05
	(b) Fees and commission income	220.13	232.03	210.50	452.16	435.00	810.25
	(c) Gain on derecognition of financial assets measured at amortised cost	371.35	409.96	-	781.31	-	-
	(d) Net gain on sale of investments	684.60	520.10	437.11	1,204.70	520.55	1,182.01
	(e) Net gain on fair value changes of investments	(79.99)	80.04	-	0.05	-	-
	Total revenue from operations	12,670.39	12,802.24	8,371.46	25,472.63	16,111.29	37,066.31
2	Other income	281.73	93.44	68.22	375.17	74.93	222.57
3	Total income (1+2)	12,952.12	12,895.68	8,439.68	25,847.80	16,186.22	37,288.88
4	Expenses						
	(a) Finance costs	7,090.87	7,353.91	4,321.04	14,444.78	8,152.96	19,617.28
	(b) Net loss on fair value changes	-	-	91.86	-	51.22	76.10
	(c) Impairment on financial instruments	548.57	1,157.09	31.49	1,705.66	176.77	598.76
	(d) Employee benefit expenses	1,847.25	1,302.38	1,204.66	3,149.63	2,479.78	6,311.95
	(e) Depreciation and amortisation expenses	207.20	197.98	98.17	405.18	193.56	393.60
	(f) Other expenses	707.82	656.50	437.82	1,364.32	805.15	2,010.72
	Total expenses	10,401.71	10,667.86	6,185.04	21,069.57	11,859.44	29,008.41
	·					·	
5	Profit before tax (3-4)	2,550.41	2,227.82	2,254.64	4,778.23	4,326.78	8,280.47
	, ,						
6	Tax expense						
	(a) Current tax	635.67	168.14	659.98	803.81	1,296.53	2,450.07
	(b) (Excess)/Short provision related to earlier years	-	-	333.12	-	333.12	333.12
	(c) Deferred tax	29.52	413.23	(269.29)	442.75	(371.76)	(639.18)
	Total tax expenses	665.19	581.37	723.81	1,246.56	1,257.89	2,144.01
	·						
7	Profit after tax (5-6)	1,885.22	1,646.45	1,530.83	3,531.67	3,068.89	6,136.46
	, ,						
8	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	-	-	-	-	-	-
	Total other comprehensive income, net of tax	-	-	-	-		(2.75)
							, ,
9	Total comprehensive income (7+8)	1,885.22	1,646.45	1,530.83	3,531.67	3,068.89	6,133.71
	· ,			·			
10	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
	, , , , , ,						
11	Other equity	21,322.04	19,375.44	13,281.71	21,322.04	13,281.71	16,450.73
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12	Earning per share (In ₹)						
	(a) Basic (Not Annualised)	0.21	0.18	0.18	0.39	0.37	0.72
	(b) Diluted (Not Annualised)	0.20	0.18	0.18	0.38	0.37	0.71
		1		0.20			

### Notes:

### 1 Statement of assets and liabilities (Balance Sheet):

(₹ in Lakhs)

Particulars	As at 30 September 2023	As at 31 March 2023
	Unaudited	Audited
ASSETS		
(I) Financial assets		
(a) Cash and cash equivalents	34,005.50	21,438.88
(b) Bank balances other than cash and cash equivalents	1,027.47	1,022.19
(c)Trade receivables	60.75	-
(d) Loans	3,94,535.11	3,68,572.88
(e) Investments	14,476.28	39,101.78
(f) Other financial assets	2,335.91	1,100.73
	4,46,441.02	4,31,236.46
(II) Non-financial assets		
(a) Current tax assets (net)	1,575.16	445.86
(b) Deferred tax assets (net)	850.08	1,292.82
(c) Property, plant and equipment	1,275.87	313.71
(d) Intangible assets	261.47	256.15
(e) Capital work-in-progress	502.35	-
(e) Other non-financial assets	315.26	264.44
	4,780.19	2,572.98
TOTAL ASSETS (I+II)	4,51,221.21	4,33,809.44
LIABILITIES AND EQUITY		
(III) Financial liabilities		
(a) Trade payables		
(i) Outstanding to micro enterprises and small enterprises	-	17.73
(ii) Outstanding dues of creditors other than micro and small enterprises	327.45	144.48
(b) Debt securities	92,709.18	1,09,742.15
(c) Borrowings (other than debt securities)	2,16,642.92	1,95,521.88
(d) Subordinated Debt	6,016.39	6,317.82
(e) Other financial liabilities	16,436.39	12,673.11
	3,32,132.33	3,24,417.17
(IV) Non-financial liabilities		
(a) Current tax liabilities (net)	-	-
(b) Provisions	463.30	466.70
(c) Other non-financial liabilities	4,430.73	4,072.61
	4,894.03	4,539.31
(V) Equity		
(a) Equity share capital	92,872.81	88,402.23
(b) Other equity	21,322.04	16,450.73
	1,14,194.85	1,04,852.96
TOTAL LIABILITIES AND EQUITY (III+IV+V)	4,51,221.21	4,33,809.44

### 2 Statement of Cash Flows:

(₹ in Lakhs)

	Half Year Ended 30	
	September 2023	September 2022
	Unaudited	Unaudited
A Cash Flow from Operating Activities		
Net profit before tax	4,778.23	4,326.78
Adjustments for:		
Add:		
Depreciation and amortisation	405.18	193.56
Loss on sale of Property, Plant and Equipment	2.08	0.19
Provision for expected credit loss	1,705.66	176.77
Provision for share based payments	110.18	32.58
Fair value loss / (gain) on investments	(0.05)	51.22
Gain on derecognition of financial assets measured at amortised cost	(761.88)	<u> </u>
Finance cost	14,444.78	8,152.96
	15,905.95	8,607.28
Less:		
Interest received on fixed deposits	444.85	99.05
Profit on sale of investments	1,204.70	520.55
Interest received on debt instrument	1,007.77	490.38
Interest income on security deposit	21.30	11.90
Amortised discount income on commercial paper	-	0.34
	2,678.62	1,122.22
Operating profit before working capital changes	18,005.56	11,811.84
Adjustments:		
(Increase)/Decrease in loans and advances	(27,757.53)	(42,032.93)
(Increase) / Decrease in trade receivables	(60.75)	43.74
(Increase) / Decrease in security deposits	30.77	(11.79)
(Increase) / Decrease in Prepaid expenses	15.96	(48.21)
(Increase) / Decrease in Other financial assets	(299.32)	(28.16)
(Increase) / Decrease in Other non-financial assets	(66.77)	24.91
Increase / (Decrease) in provisions	(1,084.68)	(365.22)
Increase/(Decrease) in trade payable	165.23	(46.94)
Increase/(Decrease) in Other financial liabilities	3,840.72	1,832.78
Increase/(Decrease) in Other non-financial liabilities	358.13	169.35
	(6,852.68)	(28,650.63)
Direct taxes paid	(1,933.10)	(1,358.07)
Net cash used in operating activities (A)	(8,785.78)	(30,008.70)
B Cash flows from investing activities		
Add:		
Interest received on fixed deposits	444.85	92.64
Receipt on sale of Investments	2,27,446.55	1,69,016.63
Interest received on debt instrument	1,007.77	490.38
	2,28,899.17	1,69,599.65
Less:		
Increase in other bank balance	5.28	-
Payments on purchase of investment	2,01,559.58	1,89,653.41
r dyments on parendse of investment	1,825.95	46.95
Payments on Purchase of Property, Plant and Equipment	1,825.95	10:33
	51.17	-
Payments for Purchase of Property, Plant and Equipment		-
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets		2.25 1,89,702.61
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets	51.17	2.25
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets	51.17	2.25
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)	51.17 2,03,441.98	2.25 1,89,702.61
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development	51.17 2,03,441.98	2.25 1,89,702.61
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Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities	51.17 - 2,03,441.98 25,457.19	2.25 1,89,702.61 (20,102.96
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from issue of equity share capital (including securities premium)	51.17 2,03,441.98 25,457.19 5,699.99	2.25 1,89,702.61 (20,102.96
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from issue of equity share capital (including securities premium) Proceeds from Bank and NBFCs Borrowings (net)	51.17 - 2,03,441.98 25,457.19 5,699.99 20,937.61	
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from issue of equity share capital (including securities premium) Proceeds from Bank and NBFCs Borrowings (net) Proceeds from issuance of Non-Convertible Debentures (net)	51.17 2,03,441.98 25,457.19 5,699.99 20,937.61 (18,465.93)	2.25 1,89,702.61 (20,102.96 14,899.97 31,638.83 23,935.08
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Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from Esua of equity share capital (including securities premium) Proceeds from Issuance of Non-Convertible Debentures (net) Proceeds from issuance of Commercial Papers (net) Finance cost paid Lease liability paid	51.17 2,03,441.98 25,457.19 5,699.99 20,937.61 (18,465.93) 1,131.52 (14,388.45)	2.25 1,89,702.61 (20,102.96 14,899.97 31,638.83 23,935.08 (3,877.76 (6,842.14
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Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from issue of equity share capital (including securities premium) Proceeds from Bank and NBFCs Borrowings (net) Proceeds from issuance of Non-Convertible Debentures (net) Proceeds from issuance of Commercial Papers (net) Finance cost paid Lease liability paid Net cash generated from / (used in) financing activities (C)  Net Increase in cash and cash equivalents (A) + (B) + (C)	51.17 2,03,441.98 25,457.19 5,699.99 20,937.61 (18,465.93) 1,131.52 (14,388.45) 980.47 (4,104.79) 12,566.62	2.25 1,89,702.61 (20,102.96 14,899.97 31,638.83 23,935.08 (3,877.76 (6,842.14 (90.87 59,663.11
Payments for Purchase of Property, Plant and Equipment Payments for Purchase of Other Intangible assets Payments for Purchase of Intangible assets under development  Net cash generated from / (used in) investing activities (B)  C Cash Flow from Financing Activities Proceeds from issue of equity share capital (including securities premium) Proceeds from issue of Non-Convertible Debentures (net) Proceeds from issuance of Non-Convertible Debentures (net) Proceeds from issuance of Commercial Papers (net) Finance cost paid Lease liability paid Net cash generated from / (used in) financing activities (C)	51.17 2,03,441.98 25,457.19 5,699.99 20,937.61 (18,465.93) 1,131.52 (14,388.45) 980.47 (4,104.79)	1,89,702.61 (20,102.96 (20,102.96 14,899.97 31,638.83 23,935.08 (3,877.76 (6,842.14 (90.87 59,663.11

- 3 Arka Fincap Limited ("the Company") is a Systemically Important Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India.
- 4 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.
- 5 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/2022/0000000103 dated 29 July 2022, inter alia, applicable to listed Companies whose non-convertible securities are listed on recognised stock exchanges.
- 6 During the half year ended 30 September 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.
- 7 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.
- 8 The Secured Non-Convertible Debentures of the Company as on 30 September 2023 are secured by first pari-passu charge over the receivables, including cash and cash equivalent and liquid investments of the Company. 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.

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- 9 Details of loans transferred / acquired during the half year ended 30 September 2023 under the Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 vide circular RBI/DOR/2021-22/86 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)	12,346.80
Weighted average residual maturity (in years)	1.65
Weighted average holding period by originator (in years)	0.85
Retention of beneficial economic interest by the originator	10%
Coverage Tangible security coverage	30%
Rating-wise distribution of loans	Unrated

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

Number of loans	3
Aggregate amount of loans transferred (in Lakhs)	4,414.56
Weighted average remaining maturity (in years)	3.17
Weighted average holding period after origination (in years)	0.22
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:

Number of loans	294
Aggregate amount of loans transferred (in Lakhs)	10,722.32
Weighted average remaining maturity (in years)	9.21
Weighted average holding period after origination (in years)	0.95
Retention of beneficial economic interest	12%
Coverage Tangible security coverage	89%
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 half year ended 30 September 2023, the company has not transferred / acquired loans in default.
- 10 The above financial results of the Company for the quarter and half year ended 30 September 2023 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 25 October 2023.
- 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

VIMAL Digitally signed by VIMAL BHANDARI Date: 2023.10.25 17:31:12 +05'30'

Vimal Bhandari Executive Vice Chairman and CEO DIN: 00001318

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Place: Mumbai Date: 25 October 2023

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		Half Yea	r Ended	(₹ in Laki Year Ended
Sr no.	Particulars	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Debt-equity ratio <sup>1</sup>	2.79:1	2.59:1	2.24:1	2.79 : 1	2.24 : 1	3.02 : 1
(b)	Debt service coverage ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(c)	Interest service coverage ratio <sup>2</sup>	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 <sup>3</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(g)	Net worth <sup>4</sup>	1,13,083.30	1,11,122.30	1,00,362.89	1,13,083.30	1,00,362.89	1,03,303.99
(h)	Net profit after tax	1,885.22	1,646.45	1,530.83	3,531.67	3,068.89	6,136.46
(i)	Earning per share (In ₹) (a) Basic (Not Annualised) (b) Diluted (Not Annualised)	0.21 0.20	0.18 0.18	0.18 0.18	0.39 0.38	0.37 0.37	0.72 0.71
(j)	Current ratio <sup>5</sup>	1.19:1	1.41 : 1	1.44 : 1	1.19:1	1.44 : 1	1.29:1
(k)	Long term debt to working capital <sup>6</sup>	6.23 : 1	3.02:1	2.69:1	6.23 : 1	2.69 : 1	4.25 : 1
(I)	Bad debts to Account receivable ratio	0.31%	0.33%	Nil	0.31%	Nil	0.01%
(m)	Current liability ratio <sup>7</sup>	0.45 : 1	0.44 : 1	0.46:1	0.45 : 1	0.46:1	0.45 : 1
(n)	Total debts to total assets <sup>8</sup>	0.75 : 1	0.73 : 1	0.7:1	0.75 : 1	0.7:1	0.76 : 1
(o)	Debtors turnover <sup>9</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover <sup>9</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) <sup>9</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) <sup>9</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(s)	Gross NPA (%)	0.19%	0.02%	0.00%	0.19%	0.00%	0.01%
(t)	Net NPA (%)	0.05%	Nil	0.00%	0.05%	0.00%	Nil
(u)	Capital adequacy ratio (CRAR)	27.59%	28.94%	33.43%	27.59%	33.43%	25.48%
(v)	There is no material deviation in the use of proceeds from the	I issue of Non-Convertible	Debentures.				

- (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
- The Company being a Non-Banking Financial Company is not required to create Debenture Redemption Reserve in terms of Rule 18 of Companies (Share Capital and Debenture) Rules, 2014.
- (4) Net worth/ Equity = Equity Share Capital + Other Equity Deferred Tax Assets Intangible assets (5) Current ratio = Current assets / Current liabilities.
- (a) Long term debt = debt repayable after 12 months. (b) working capital = current assets current liability (6)
- Current Liability Ratio = Current Liabilities / Total Liabilities.
- 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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Date: 2023.10.25
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Annexure B (As required Column A	Annexure B (As required under Regulation 54(3) J. Asset Cover Certificate Column A Column B Column C i	3) )- Asset Cover Certific	icate Column D ii	Column E III	Column F iv	Column G v	Column H vi	Column I vii	Column	Column K	Column 1	Column M	Column N	Column
Datticilare		Exclusive Charge	Evolucive Charge	Dari-Dassell Chargo	Dari-Dacen Chargo	Dari-Dacen Chargo	Assets not offered as	Elemination (Amount in	(Total C to H)		Related to only tho	Related to only those items covered by this certificate	certificate	
	Description of asset for which this certificate relate	Debt for which this certificate is being used			Assets shared by Pari Passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other debt on which there is pari-passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market value for assets charged on exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable(For eg. Bank Balance, DSRA market value is not applicable)	Market value for pari- passu charge assets viii	Carrying/book value for pari-passu charge assets where market avalue is not avertainable or applicable(For eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+ M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value						Relating to Column F	Column F	
ASSETS														
Property, Plant & Equipment							2.68		2.68					
Capital Work-in- progress							5.02		5.02					
Right of Use assets							10.08		10.08					
Intangible Assets							2.61		2.61					
Intangible Assets Under Development														
Investments					60.02		15.70		75.72			60.02		60.02
Loans					4,014.36		0.03		4,014.39				4,014.36	4,014.36
Trade Receivables							0.61		0.61					
Cash & Cash Equivalents					340,06		,		340.06				340.06	340.06
Bank Balances other														
than Cash & Cash Equivalents					10.27				10.27				10.27	10.27
Others							50.76		50.76					
TOTAL					4,424.71		87.50		4,512.21			60.02	4,364.69	4,424.71
HABILITIES														
Debt securities to														
which this certificate pertains				Yes	799.30				799.30				799.30	799.30
Other debt sharing pari-passu charge with	-													
above debt				Yes	2,166.43				2,166.43				2,166.43	2,166.43
Other debt Subordinated debt							60.16		60.16					
Borrowings														
Bank Debt securities	not to be tilled						127.79		127.79					
Others														
Trade Payables							3.27		3.27					
Provisions							4.63		4.63					
Others							197.35		197.35					
TOTAL Cover on Book Value					2,965.73		404.53		3,370.26				2,965.73	2,965.73
Cover on Market														
		Exclusive Security			Pari-Passu Security	1.49								
		Cover Ratio			Cover Ratio									
1) Loans amount is con	Notes to Annexure:	ion and includes investr	Ments in CPs. NCDs and P	TCs										
2) Other Assets (Colur	2) Other Assets (Column H) include Other Financial Assets, Other Non-financial Assets, Current tax assets and Deferred tax (assets)	icial Assets, Other Non-f	financial Assets, Current t	ax assets and Deferred	tax (assets)									
3) Debt securities for 4) Other Debt - Debt S	<ol> <li>Debt securities for which this certificate is given includes interest accrued but not due on the same</li> <li>Other Debt - Debt Securities (Column H) includes unsecured commercial papers</li> </ol>	ven includes interest acc	crued but not due on the rcial papers	same										
5) The Company has n	5) The Company has maintained the Security Cover as per the respective covenant mentioned in the disclosure document	over as per the respectiv	ve covenant mentioned ir	the disclosure docume	ant									
6) The numbers filled	in the annexure are accor	rding to the unaudited fi	inancials prepared as per	IND-AS regulations										

BHANDAR VIMAL

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### 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
One Indiabulls Centre,
1202 B, Tower 2B, Floor 12B,
Jupiter Mills Compound, Senapati Bapat Marg,
Mumbai 400 013

Certification on book values of assets as provided in Security Cover Certificate as at 30 September 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 30 September 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.
- 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 30th September 2023.

LLPIN: AAT 9949

- 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, 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 30 September 2023.

Also refer to certificate issued for Compliance with Covenants dated 25th October 2023 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

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Nachiket Deo

Partner

Membership No.: 117695 UDIN: 23117695BGXKUU6395

Place: Pune

Date: 25th October 2023



Particular of the control of the c	Description of season   Legistation   Legi	6			
Fook Value   Food Value   Foo	The control of the		lated to only those Items covered by this	s certificate	
2 66	Brock Value   Book Value   Book Value   Book Value	Market value for assets charged on exclusive basis	Market value for pari- passu charge assets	book value ssu charge ere market is not nable or nee, DSRA alue is not cable)	Total Value=(K+L+ M+N)
5 (0)   5 (0)   5 (0)   10 (	840.06  840.02  40.03  10.27  10.27  44.24.21  The filled for the		Relating to	Column F	
5 058   5 058   1 058   1 10	60.02 4.014.36 340.06 340.06 4.424.71 799.30 795 799.30 795 799.30 795 796.73 799.30				
10.08	60.02 4.014.86 340.06 3	2.68			
15.70   2.61   2.62   2.63	60.02 4,04.36 340.06 340.06 799.30 Yes 779.30 Yes 2,166.43	5.02			
15.70	60,02   4,04,36   340,06   10,27   4,424,71   799,30   Yes   7,99,30   Yes   2,965,73	2.61			
15.70   75.72   60.029   4.074.89   4.074.	10.27   340.06   340.06   10.27   4,424.71   10.27 				
10.05   0.61   0.05     10.07   10.07     10.0	940.06  94.027  4.424.71  Vrs.  Vrs.  Vrs.  2.166.43	75.72	60.02		60.02
1.0 ci   0 ci   340.06   340	340.06 30.27 4.424.71  Front to be filled	4,014,39		4,014.36	4,014.
10.27   10.2	940.06  10.27  44.024.71  Total to be filled  Fig. 10.27  Total to be filled  Fig. 10.27	0.61			
10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.27   10.28   10.2	10.27 4,424,71  Wrs. 799.30  Wrs. 2,166.43  mot to be titled  2,065,73  3	340.06		340.06	340.06
10.27   10.2	10.27  4.424.71  not to be titled  70.50  70				
17.50   17.5	Vos 790.30  Vos 790.30  Vos 2,166.43  Tot to be filled 3.30	10.27		10.27	10.27
127.79 12	Yes 799.30 Yes 2,166.43	4,512.21	60.02	4,364,69	4,424.71
799.30 799.30 799.30 799.30 799.30 799.30 120.30 132.79 13	Yes 799.30  Yes 7,166.43  not to be filled 2,266.73				
127.79   2.156.63   2.166.83	To to be litted  From the litted  From S2,166,43	75-667		266 30	799
2.156.43 2.156.43 2.156.43 2.166.43 2.1	The stilled				
127.79 127.79 127.79 3.27 3.27 3.27 4.63 4.63 4.63 4.63 4.63 4.63 4.63 4.63	not to be titled	2,166.43		2,166.43	2,166.43
117779 3.27 3.27 3.27 3.27 3.27 3.27 3.27 44.65 44.65 44.65 3.370.26 3.370.26 3.370.26 3.370.26 3.370.26 3.370.26 3.370.26 3.370.26	not to be filled  3	60.16			
1.40 1.27.79 1.27.70 1	2,965,73				
11.32 11.32 11.32 11.32 11.32 11.32 14.63 2.06.373 1.49	2,965,73	127,79			
11.22 11.1.24 11.1.25 11.1.25 11.25	2,965.73 4	3.27			
1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.40	2,965.73	11.32			
440 3.1 3.370.26 3.370.26 2.965.73	2,965.73	4,63			
	ar on Book Value	3,370.26		2,965.73	2,965.73
	3 4				
	To Eveluation Coveriges				
18 TO A MARKED A MARKED TO A MARKED	rail-Fassu security Cover Ratio				
Into Americure: ans was most sensition and includes investments in CP <sub>2</sub> , NCOs and PTCs there is a sensitive considered net of ECI, provision and includes investments in CP <sub>2</sub> , NCOs and PTCs there is a sensitive Column H) include Other Financial Assets, Current law assets and Deferred tax (assets)					
ther Assets (Column H) indude Other Financial Assets, Other House	te it to Americal forms and indicates and indicates invastranears in Cite. MCNe and STEP				
	2) Other Assets (Column H) Include Other Financial Assets, Other Non-Financial Assets, Current tax assets and Deferred tax (assets)				

For Arka Fincap Limited (Date: 25th October 2023) Amit Gupta

Chief Financial Officer







### **Annexure-III**

**(A)** Statement of utilization of issue proceeds:

(1) Switchieff of termination of 1884 Protection				
Name of the Issuer	Arka Fincap Limited			
ISIN	Not Applicable, since no Non-Convertible Debentures were			
	issued and allotted during the quarter ended September 30, 2023.			
Mode of Fund Raising (Public issues/ Private	Not Applicable			
placement)				
Type of instrument	Not Applicable			
Date of raising funds (Date of allotment)	Not Applicable			
Amount Raised	Not Applicable			
Funds utilized	Not Applicable			
Any deviation (Yes/ No)	Not Applicable			
If any deviation, then specify the purpose of for	Not Applicable			
which the funds were utilized				
Remarks, if any	None			

**(B)** Statement of deviation/variation in use of issue proceeds

Name of the listed entity	Arka Fincap Limited
Mode of Fund Raising	Not Applicable, since no Non-Convertible Debentures were
	issued and allotted during the quarter ended September 30, 2023.
Type of instrument	Not Applicable
Date of Raising Funds (Date of allotment)	Not Applicable
Amount Raised	Not Applicable
Report filed for quarter ended	September 30, 2023
Is there a deviation/ variation in use of funds raised?	Not Applicable
Whether any approval is required to vary the objects	Not Applicable
of the issue stated in the prospectus/ offer document?	
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation Variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors if any	Not Applicable
Objects for which funds have been raised and where the Applicable	here has been a deviation/ variation, in the following table: <b>Not</b>

Original object	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
-	-	-	-	-	-	-

### Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed

### For Arka Fincap Limited

Niki Mehta

Company Secretary Membership No.: A47286