

P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT-9949

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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
(Formerly Kirloskar Capital 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 (formerly Kirloskar Capital Limited) (“the Company”) for the quarter ended 30 June 2022 and year-to-date results for the period from 01 April 2022 to 30 June 2022 (“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.

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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.

Other Matter

The comparative figures for the quarter ended 30th June 2021 have been reviewed by another auditor on which they have issued Limited Review Report dated 19th July 2021.

For P G BHAGWAT LLP,
Chartered Accountants,
Firm's Registration Number : 101118W/W100682

DEO
NACHIKET
RATNAKAR

Digitally signed by DEO NACHIKET
RATNAKAR
DN: cn=DEO NACHIKET
RATNAKAR, o=P G BHAGWAT LLP,
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Nachiket Deo
Partner
Membership No. 117695
UDIN: 22117695ANLUAW4597
Place: Pune
Date: 22nd July 2022

Offices at: Mumbai | Kolhapur | Belgaum | Hubli | Dharwad | Bengaluru

Arka Fincap Limited

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Tel: +91 22 40471000 CIN: U65993MH2018PLC308329

Website: www.arkafincap.com E-mail: arkainfo@arkafincap.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended			Year Ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		Unaudited	Audited	Unaudited	Audited
1	Revenue from operations				
	(a) Interest income	7,431.89	6,251.62	3,523.00	19,210.33
	(b) Fees and commission income	224.50	75.00	227.90	503.40
	(c) Net gain on sale of investments	83.44	105.08	15.17	380.25
	(d) Net gain on fair value changes of investments	40.64	(0.49)	9.64	78.76
	Total revenue from operations	7,780.47	6,431.21	3,775.71	20,172.74
2	Other income	6.71	7.08	25.02	136.66
3	Total income (1+2)	7,787.18	6,438.29	3,800.73	20,309.40
4	Expenses				
	(a) Finance costs	3,831.92	3,113.34	1,608.19	9,173.74
	(b) Impairment on financial instruments	145.28	180.60	112.32	557.61
	(c) Employee benefit expenses	1,275.12	1,829.49	924.49	4,676.27
	(d) Depreciation and amortisation expenses	95.39	91.76	89.87	365.34
	(e) Other expenses	367.33	392.92	214.59	1,127.82
	Total expenses	5,715.04	5,608.11	2,949.46	15,900.78
5	Profit before tax (3-4)	2,072.14	830.18	851.27	4,408.62
6	Tax expense				
	(a) Current tax	636.55	347.93	331.63	1,535.13
	(b) Deferred tax	(102.47)	(140.19)	(106.91)	(378.17)
	Total tax expenses	534.08	207.74	224.72	1,156.96
7	Profit after tax (5-6)	1,538.06	622.44	626.55	3,251.66
8	Other comprehensive income, net of tax				
	(a) Items that will not be reclassified to profit and loss	-	0.16	-	0.16
	(b) Items that will be reclassified to profit and loss	-	-	-	-
	Total other comprehensive income, net of tax	-	0.16	-	0.16
9	Total comprehensive income (7+8)	1,538.06	622.60	626.55	3,251.82
10	Paid-up equity share capital (Face value of ₹ 10/- each)	84,235.56	75,985.58	68,542.22	75,985.58
11	Other equity	10,873.58	7,696.92	4,451.10	7,696.92
12	Earning per share (In ₹)				
	(a) Basic (Not Annualised)	0.19	0.08	0.09	0.45
	(b) Diluted (Not Annualised)	0.19	0.08	0.09	0.45

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").

(₹ in Lakhs)

Sr no.	Particulars	Quarter ended			Year ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		Unaudited	Audited	Unaudited	Audited
(a)	Debt-equity ratio ¹	1.93 : 1	2.1 : 1	0.99 : 1	2.1 : 1
(b)	Debt service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(c)	Interest service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil
(e)	Capital redemption reserve	Nil	Nil	Nil	Nil
(f)	Debenture redemption reserve ³	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(g)	Net worth ⁴	94,038.18	82,692.78	72,238.94	82,692.78
(h)	Net profit after tax	1538.06	622.44	626.55	3251.66
(i)	Earning per share (In ₹)				
	(a) Basic (Not Annualised)	0.19	0.08	0.09	0.45
	(b) Diluted (Not Annualised)	0.19	0.08	0.09	0.45
(j)	Current ratio ⁵	1.35 : 1	1.53 : 1	1.79 : 1	1.53 : 1
(k)	Long term debt to working capital ⁶	2.73 : 1	2.43 : 1	1.19 : 1	2.43 : 1
(l)	Bad debts to Account receivable ratio	Nil	Nil	Nil	Nil
(m)	Current liability ratio ⁷	0.51 : 1	0.44 : 1	0.51 : 1	0.44 : 1
(n)	Total debts to total assets ⁸	0.66 : 1	0.68 : 1	0.5 : 1	0.68 : 1
(o)	Debtors turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(s)	Gross NPA (%)	0.00%	Nil	Nil	Nil
(t)	Net NPA (%)	0.00%	Nil	Nil	Nil
(u)	Capital adequacy ratio (CRAR)	33.08%	30.92%	44.90%	30.92%
(v)	There is no material deviation in the use of proceeds from the issue of Non-Convertible Debentures.				

Notes:

- (1) Debt = Debt Securities + Borrowings (other than debt securities).
- (2) As per the proviso to Regulation 52(4) of SEBI LODR, the requirement of disclosing debt service coverage ratio and interest service coverage ratio is not applicable to the Company being a Non-Banking Financial Company registered with the Reserve Bank of India.
- (3) The Company being a Non-Banking Financial Company is not required to create Debenture Redemption Reserves 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.
- (6) (a) Long term debt = debt repayable after 12 months. (b) working capital = current assets - current liability
- (7) Current Liability Ratio = Current 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.