



January 23, 2024

The Sr. General Manager  
Department of Corporate Services,  
BSE Limited,  
1<sup>st</sup> 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**

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**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

**kirloskar** Group Company

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

**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.

## **P G BHAGWAT LLP**

Chartered Accountants | Since 1938

LLPIN: AAT 9949

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

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Partner

Membership No. 117695

UDIN: 24117695BKCKGX7101

Place: Pune

Date: 23<sup>rd</sup> 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)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Revenue from operations</b>						
	(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	-	-
	<b>Total revenue from operations</b>	<b>14,681.82</b>	<b>12,670.39</b>	<b>9,689.18</b>	<b>40,154.45</b>	<b>25,800.47</b>	<b>37,066.31</b>
<b>2</b>	<b>Other income</b>	<b>337.62</b>	<b>281.73</b>	<b>57.04</b>	<b>712.79</b>	<b>131.97</b>	<b>222.57</b>
<b>3</b>	<b>Total income (1+2)</b>	<b>15,019.44</b>	<b>12,952.12</b>	<b>9,746.22</b>	<b>40,867.24</b>	<b>25,932.44</b>	<b>37,288.88</b>
<b>4</b>	<b>Expenses</b>						
	(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
	<b>Total expenses</b>	<b>11,274.28</b>	<b>10,401.71</b>	<b>7,458.45</b>	<b>32,343.85</b>	<b>19,317.89</b>	<b>29,008.41</b>
<b>5</b>	<b>Profit before exceptional items and tax (3-4)</b>	<b>3,745.16</b>	<b>2,550.41</b>	<b>2,287.77</b>	<b>8,523.39</b>	<b>6,614.55</b>	<b>8,280.47</b>
	Exceptional Items - Expenses / (Income) (refer note 8)	3,089.09	-	-	3,089.09	-	-
<b>6</b>	<b>Profit before tax</b>	<b>656.07</b>	<b>2,550.41</b>	<b>2,287.77</b>	<b>5,434.30</b>	<b>6,614.55</b>	<b>8,280.47</b>
<b>7</b>	<b>Tax expense</b>						
	(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)
	<b>Total tax expenses</b>	<b>186.37</b>	<b>665.19</b>	<b>443.13</b>	<b>1,432.93</b>	<b>1,701.02</b>	<b>2,144.01</b>
<b>8</b>	<b>Profit after tax (5-6)</b>	<b>469.70</b>	<b>1,885.22</b>	<b>1,844.64</b>	<b>4,001.37</b>	<b>4,913.53</b>	<b>6,136.46</b>
<b>9</b>	<b>Other comprehensive income, net of tax</b>						
	(a) Items that will not be reclassified to profit and loss	-	-	-	-	-	(2.75)
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-	-
	<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.75)</b>
<b>10</b>	<b>Total comprehensive income (7+8)</b>	<b>469.70</b>	<b>1,885.22</b>	<b>1,844.64</b>	<b>4,001.37</b>	<b>4,913.53</b>	<b>6,133.71</b>
<b>11</b>	<b>Paid-up equity share capital (Face value of ₹ 10/- each)</b>	<b>92,872.81</b>	<b>92,872.81</b>	<b>88,402.23</b>	<b>92,872.81</b>	<b>88,402.23</b>	<b>88,402.23</b>
<b>12</b>	<b>Other equity</b>	<b>21,843.28</b>	<b>21,322.04</b>	<b>15,178.58</b>	<b>21,843.28</b>	<b>15,178.58</b>	<b>16,450.73</b>
<b>13</b>	<b>Earning per share (in ₹)</b>						
	(a) Basic (Not Annualised)	0.05	0.21	0.21	0.44	0.58	0.72
	(b) Diluted (Not Annualised)	0.05	0.20	0.21	0.43	0.58	0.71

#### Notes

- 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.
- 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.
- 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.
- 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.
- 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.

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- 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 (ii) 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.
- 7 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. 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.
- 8 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 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023
- 9 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 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 transferrer 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	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 transferrer 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

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Vimal Bhandari  
Executive Vice Chairman and CEO  
DIN: 00001318

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## 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			Nine Months Ended		Year Ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Debt-equity ratio <sup>1</sup>	3.26 : 1	2.79 : 1	2.41 : 1	3.26 : 1	2.41 : 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>	1,13,104.61	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 ₹)						
	(a) Basic (Not Annualised)	0.05	0.21	0.21	0.44	0.58	0.72
	(b) Diluted (Not Annualised)	0.05	0.20	0.21	0.43	0.58	0.71
(j)	Current ratio <sup>5</sup>	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 <sup>6</sup>	8.32 : 1	6.23 : 1	4.47 : 1	8.32 : 1	4.47 : 1	4.25 : 1
(l)	Bad debts to Account receivable ratio	0.32%	0.31%	0.00%	0.32%	0.00%	0.01%
(m)	Current liability ratio <sup>7</sup>	0.47 : 1	0.45 : 1	0.47 : 1	0.47 : 1	0.47 : 1	0.45 : 1
(n)	Total debts to total assets <sup>8</sup>	0.77 : 1	0.75 : 1	0.71 : 1	0.77 : 1	0.71 : 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 (%)	0.21%	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 issue of Non-Convertible Debentures.						

## 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 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.
- (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.

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## Annexure B (As required under Regulation 54(3) )- Asset Cover Certificate

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
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as security	Elimination (Amount in Negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate is being used	Other secured debt	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 value is not ascertainable 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			
<b>ASSETS</b>														
Property, Plant & Equipment							7.91		7.91					
Capital Work-in-progress							0.12		0.12					
Right of Use assets							8.95		8.95					
Goodwill							-		-					
Intangible Assets							2.67		2.67					
Intangible Assets Under Development							-		-					
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					-		-		-					
Trade Receivables					-		30.00		30.00					
Cash & Cash Equivalents					360.18		-		360.18				360.18	360.18
Bank Balances other than Cash & Cash Equivalents					10.05		-		10.05				10.05	10.05
Others							80.41		80.41					
<b>TOTAL</b>					<b>4,924.64</b>		<b>130.07</b>		<b>5,054.71</b>			<b>100.06</b>	<b>4,824.58</b>	<b>4,924.64</b>
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains				Yes	1,111.06				1,111.06				1,111.06	1,111.06
Other debt sharing pari-passu charge with above debt				Yes	2,278.80				2,278.80				2,278.80	2,278.80
Other debt									-					
Subordinated debt							137.73		137.73					
Borrowings														
Bank														
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					
<b>TOTAL</b>					<b>3,389.86</b>		<b>517.69</b>		<b>3,907.55</b>				<b>3,389.86</b>	<b>3,389.86</b>
<b>Cover on Book Value</b>														
<b>Cover on Market Value ix</b>														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	1.45								
<b>Notes to Annexure:</b>														
1) Loans amount is considered net of ECL provision and includes investments in CPs, NCDs and PTCs														
2) Other Assets (Column H) include Other Financial Assets, Other Non-financial Assets, Current tax assets and Deferred tax (assets)														
3) Debt securities for which this certificate is given includes interest accrued but not due on the same														
4) Other Debt - Debt Securities (Column H) includes unsecured commercial papers														
5) The Company has maintained the Security Cover as per the respective covenant mentioned in the disclosure document														
6) The numbers filled in the annexure are according to the unaudited financials prepared as per IND-AS regulations														

VIMAL BHANDARI

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Date: 2024.01.23 18:17:05 +05'30'

**P G BHAGWAT 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**

1. 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 31<sup>st</sup> 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,



# **P G BHAGWAT LLP**

Chartered Accountants | Since 1938

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

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Partner

Membership No.: 117695

UDIN: 24117695BKCKGT5522

Place: Pune

Date: 23rd January 2024



## Annexure- III

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

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.aflarkaholdings.com](http://www.aflarkaholdings.com) | Email: [info.afl@arkaholdings.com](mailto:info.afl@arkaholdings.com) | T: 022 4047 1000 | CIN: U65993MH2018PLC308329

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

Yours faithfully,

**For Arka Fincap Limited**

**Amit Kumar Gupta**  
Chief Financial Officer