



Date: October 22, 2024

To,
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 Regulation 51 of 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, October 22, 2024 has *inter alia*, considered and approved the following:

1. Unaudited Financial Results for the quarter and half year ended September 30, 2024 prepared pursuant to Regulation 52 of SEBI LODR and Chapter VI of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
2. Based on the recommendation of Nomination and Remuneration Committee, appointment of Mr. Samrat Gupta (DIN: 07071479) as the Managing Director of the Company for a tenure of 5 (five) years with effect from October 23, 2024 till October 22, 2029, subject to the approval of shareholders of the Company;
3. Based on the recommendation of Nomination and Remuneration Committee, appointment of Mr. Nasser Mukhtar Munjee (DIN: 00010180) as an Additional Independent Director of the Company for a term of 5 (five) years with effect from October 23, 2024 till October 22, 2029 and continuation of his directorship on attaining age of 75 (seventy five) years during his term, subject to the approval of shareholders of the Company;
4. Based on the recommendation of Nomination and Remuneration Committee, re-designation of Mr. Vimal Bhandari (DIN: 00001318) from Whole-Time Director to Non-Executive, Non-Independent Director of the Company with effect from October 23, 2024 till March 31, 2025 or for a further period of 6 (six) months as maybe mutually agreed between the Company and Mr. Vimal Bhandari, subject to the approval of shareholders of the Company;
5. Based on the recommendation of Nomination and Remuneration Committee, variation in vesting period and exercise period of stock options granted to Mr. Vimal Bhandari, subject to the approval of shareholders of the Company.

In context of the financial results, please find enclosed herewith the following as **Annexure I**:

- i. Unaudited Financial Results for the quarter and half year ended September 30, 2024; and
- ii. Limited Review Report by Singhi & Co., Chartered Accountants, statutory auditors on the aforesaid financial results.

Further, please find enclosed certificate issued by Singhi & Co., Chartered Accountants at **Annexure II** required under Regulation 54 of SEBI LODR for the quarter ended September 30, 2024.

Arka Fincap Limited

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

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

A k rloskar Group Company

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



Pursuant to Regulation 52(7) of the SEBI LODR, we hereby confirm that the proceeds of the Non-Convertible Debentures (“NCDs”) issued by the Company during the quarter ended September 30, 2024 and listed on BSE Limited have been utilised for the purpose for which these proceeds were raised. In the said context, please find enclosed statement indicating the utilisation of the issue proceeds of NCDs and Statement of deviation/variation in use of issue proceeds of non-convertible securities pursuant to Regulation 52(7A) of the SEBI LODR at **Annexure III**.

Further, pursuant to Regulation 23(9) of the SEBI LODR, please find enclosed the disclosure of related party transactions for the half year ended September 30, 2024 at **Annexure IV**.

A copy of the press release in respect of appointment of Mr. Samrat Gupta as the Managing Director of the Company is enclosed at **Annexure V**.

The Board Meeting commenced at 02.15 p.m. (IST) and concluded at 04.55 p.m. (IST).

This intimation along with the financial results is also being made available on the Company's website at: <https://www.arkaholdings.com/arka-fincap>

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
Mehta

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by Niki Chirag
Mehta
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Niki Mehta
Company Secretary
Membership No.: A47286

Encl: as above

Place: Mumbai

Independent Auditor's Review Report on unaudited financial results of Arka Fincap Limited for the quarter and half year ended September 30, 2024 pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended)

To,
The Board of Directors
Arka Fincap Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Arka Fincap Limited** (the 'Company') for the quarter and half year ended September 30, 2024 (the 'Statement'). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. 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 financial statements are 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.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matter

4. The comparative financial results of the Company as stated in statement for the quarter and half year ended September 30, 2023 and for the year ended March 31, 2024 were reviewed / audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on October 25, 2023 and April 30, 2024 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter and half year ended September 30, 2023 and the year ended March 31, 2024.

Our conclusion is not modified in respect of this matter.

Place: Mumbai
Date: October 22, 2024
UDIN: 24414420BKASN6859

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E
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by Shweta Singhal
Date: 2024.10.22
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Shweta Singhal
Partner
Membership No: 414420

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 HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30 September 2024	30 June 2024	30 September 2023	30 September 2024	30 September 2023	31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	(a) Interest income	16,907.67	14,841.71	11,474.30	31,749.38	23,034.41	49,043.60
	(b) Fees and commission income	447.27	482.87	291.41	930.14	576.75	1,220.71
	(c) Gain on derecognition of financial assets measured at amortised cost	1,720.21	587.02	371.35	2,307.23	781.31	4,008.73
	(d) Net gain on sale of investments	224.70	303.32	684.60	528.02	1,204.70	2,095.79
	(e) Net gain on fair value changes of investments	71.95	-	(79.99)	71.95	0.05	-
	Total revenue from operations	19,371.80	16,214.92	12,741.67	35,586.72	25,597.22	56,368.83
2	Other income	496.12	305.43	210.45	801.55	250.58	709.90
3	Total income (1+2)	19,867.92	16,520.35	12,952.12	36,388.27	25,847.80	57,078.73
4	Expenses						
	(a) Finance costs	11,063.38	9,624.20	7,103.38	20,687.58	14,458.06	31,533.12
	(b) Net loss on fair value changes	-	-	-	-	-	2.67
	(c) Impairment on financial instruments	1,298.35	850.39	548.57	2,148.74	1,705.66	2,561.19
	(d) Employee benefit expenses	2,810.73	2,799.79	1,884.41	5,610.52	3,227.43	7,864.18
	(e) Depreciation and amortisation expenses	191.26	196.25	207.20	387.51	405.18	772.12
	(f) Other expenses	1,313.41	937.92	658.16	2,251.33	1,273.25	3,437.74
	Total expenses	16,677.13	14,408.55	10,401.71	31,085.68	21,069.57	46,171.02
5	Profit before exceptional items and tax (3-4)	3,190.79	2,111.80	2,550.41	5,302.59	4,778.23	10,907.71
	Exceptional items - Expenses / (Income) (refer note 9)	(786.40)	(742.10)	-	(1,528.50)	-	1,528.50
6	Profit before tax	3,977.19	2,853.90	2,550.41	6,831.09	4,778.23	9,379.21
7	Tax expense						
	(a) Current tax	159.27	599.32	635.67	758.59	803.81	2,049.53
	(b) (Excess)/Short provision related to earlier years	(30.11)	-	-	(30.11)	-	-
	(c) Deferred tax	818.94	123.62	29.52	942.56	442.75	406.60
	Total tax expenses	948.10	722.94	665.19	1,671.04	1,246.56	2,456.13
8	Profit after tax (6-7)	3,029.09	2,130.96	1,885.22	5,160.05	3,531.67	6,923.08
9	Other comprehensive income, net of tax						
	(a) Items that will not be reclassified to profit and loss	(10.80)	-	-	(10.80)	-	(20.34)
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-	-
	Total other comprehensive income, net of tax	(10.80)	-	-	(10.80)	-	(20.34)
10	Total comprehensive income (8+9)	3,018.29	2,130.96	1,885.22	5,149.25	3,531.67	6,902.74
11	Paid-up equity share capital (Face value of ₹ 10/- each)	92,872.81	92,872.81	92,872.81	92,872.81	92,872.81	92,872.81
12	Other equity						24,795.63
13	Earning per share (In ₹) (Face value of ₹ 10/- each)						
	(a) Basic (Not Annualised)	0.33	0.23	0.21	0.56	0.39	0.75
	(b) Diluted (Not Annualised)	0.32	0.23	0.20	0.55	0.38	0.74

Notes:

1 Statement of assets and liabilities (Balance Sheet):
(₹ in Lakhs)

Particulars	As at	As at
	30 September 2024	31 March 2024
	Unaudited	Audited
ASSETS		
(I) Financial assets		
(a) Cash and cash equivalents	62,110.17	39,252.96
(b) Bank balances other than cash and cash equivalents	798.92	-
(c) Trade receivables	-	20.25
(d) Loans	5,41,567.28	4,70,488.06
(e) Investments	35,540.25	9,070.85
(f) Other financial assets	7,031.73	5,409.75
	6,47,048.35	5,24,241.87
(II) Non-financial assets		
(a) Current tax assets (net)	3,056.63	1,819.33
(b) Deferred tax assets (net)	-	893.08
(c) Property, plant and equipment	1,582.91	1,814.99
(d) Intangible assets	197.40	249.28
(e) Capital work-in-progress	-	19.31
(f) Other non-financial assets	1,267.62	564.55
	6,104.56	5,360.54
TOTAL ASSETS (I+II)	6,53,152.91	5,29,602.41
LIABILITIES AND EQUITY		
(III) Financial liabilities		
(a) Trade payables		
(i) Outstanding to micro enterprises and small enterprises	46.00	79.73
(ii) Outstanding dues of creditors other than micro and small enterprises	1,254.38	536.13
(b) Debt securities	1,46,883.47	1,25,150.32
(c) Borrowings (other than debt securities)	3,44,640.21	2,43,153.65
(d) Subordinated Debt	13,819.76	13,832.98
(e) Other financial liabilities	20,726.17	25,676.24
	5,27,369.99	4,08,429.05
(IV) Non-financial liabilities		
(a) Provisions	508.92	458.83
(b) Deferred tax liabilities (Net)	45.86	-
(c) Other non-financial liabilities	2,364.59	3,046.09
	2,919.37	3,504.92
(V) Equity		
(a) Equity share capital	92,872.81	92,872.81
(b) Other equity	29,990.74	24,795.63
	1,22,863.55	1,17,668.44
TOTAL LIABILITIES AND EQUITY (III+IV+V)	6,53,152.91	5,29,602.41

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2 Statement of Cash Flows:

(₹ in Lakhs)

Particulars	Half Year Ended 30	Half Year Ended
	September 2024	30 September 2023
	Unaudited	Unaudited
A Cash Flow from Operating Activities		
Net profit before tax	6,831.09	4,778.23
Adjustments for:		
Depreciation and amortisation	387.51	405.18
Loss on sale of Property, Plant and Equipment	-	2.08
Provision for expected credit loss	2,148.74	1,705.66
Provision for share based payments	45.88	110.18
Finance cost	20,687.58	14,458.06
	23,269.71	16,681.16
Interest received on fixed deposits	(12.94)	(444.85)
Profit on sale of investments	(528.02)	(1,204.70)
Gain on derecognition of financial assets measured at amortised cost	(2,307.23)	(761.88)
Provision for investments in Arka Credit Fund I	(1,528.50)	-
Interest received on debt instrument	(634.63)	(1,007.77)
Interest income on security deposit	(8.97)	(21.30)
Fair value loss / (gain) on investments	(71.95)	(0.05)
Interest income on investments in AIF	(20,687.58)	(52.22)
	(25,779.82)	(3,492.77)
Operating profit before working capital changes	4,320.98	17,966.62
Adjustments:		
(Increase)/Decrease in loans and advances	(73,238.66)	(27,757.53)
(Increase) / Decrease in trade receivables	20.25	(60.75)
(Increase) / Decrease in security deposits	(21.66)	30.77
(Increase) / Decrease in Prepaid expenses	(134.62)	15.96
(Increase) / Decrease in Other financial assets	273.42	(299.32)
(Increase) / Decrease in Other non-financial assets	(568.46)	(66.77)
Increase / (Decrease) in provisions	(538.48)	(1,084.68)
Increase/(Decrease) in trade payable	684.52	165.23
Increase/(Decrease) in Other financial liabilities	(4,161.27)	3,840.72
Increase/(Decrease) in Other non-financial liabilities	(697.36)	358.13
	(74,061.34)	(6,891.62)
Income Tax (paid) / refund [Net]	(1,965.77)	(1,933.10)
Net cash used in operating activities (A)	(76,027.11)	(8,824.72)
B Cash flows from investing activities		
Interest received on fixed deposits	12.94	444.85
Receipt on sale of Investments	1,60,660.33	2,27,446.55
Interest received on debt instrument	634.63	1,007.77
Interest received on investments in AIF	20,687.58	52.22
	1,81,995.48	2,28,951.39
Increase / (decrease) in other bank balance	(798.92)	(5.28)
Payments on purchase of investment	(1,84,990.83)	(2,01,559.58)
Payments for Purchase of Property, Plant and Equipment	(84.24)	(1,825.95)
Payments for Purchase of Other Intangible assets	-	(51.17)
	(1,85,873.99)	(2,03,441.98)
Net cash generated from / (used in) investing activities (B)	(3,878.51)	25,509.41
C Cash Flow from Financing Activities		
Proceeds from issue of equity share capital (including securities premium)	-	5,699.99
Proceeds from Bank and NBFCs Borrowings (net)	1,01,563.55	20,937.61
Proceeds from issuance of Non-Convertible Debentures (net)	17,409.73	(18,465.93)
Proceeds from issuance of Commercial Papers (net)	4,138.82	1,131.52
Finance cost paid	(20,091.03)	(14,401.73)
Lease liability paid	(258.24)	980.47
Net cash generated from / (used in) financing activities (C)	1,02,762.83	(4,118.07)
Net Increase in cash and cash equivalents (A) + (B) + (C)	22,857.21	12,566.62
Cash and Cash Equivalents at the beginning of the period	39,252.96	21,438.88
Cash and Cash Equivalents at the end of the period	62,110.17	34,005.50

Notes

- Arka Fincap Limited ("the Company") is a 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.
- 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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- 7 During the half year ended 30 September 2024, the Company has issued and allotted 25,000 Senior, Secured, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of ₹1,00,000/- each, aggregating to ₹ 25,000 Lakh on a private placement basis. The NCDs are rated as CRISIL AA/Stable.
- 8 The Secured Non-Convertible Debentures of the Company as on 30 September 2024 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.
- 9 During the previous year ended 31 March 2024, the Company had made provision of ₹ 1,528.50 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 and RBI/2023-24/140 DOR.STR.REC.85/21.04.048/2023-24 dated March 27, 2024. During the previous quarter ended 30 June 2024, the Company had reversed the provision to the extent of ₹ 742.10 lakh. The balance provision of ₹ 786.40 lakh has been reversed during the current quarter ended 30 September 2024 which is in compliance with the above-mentioned RBI circulars.
- 10 Details of loans transferred / acquired during the quarter and half year ended 30 September 2024 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:

Particulars	Half Year Ended 30 September 2024
Aggregate amount of loans acquired (in Lakhs)	2,965.01
Weighted average residual maturity (in years)	1.29
Weighted average holding period by originator (in years)	0.99
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	0%
Rating-wise distribution of loans	NA

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

Particulars	Half Year Ended 30 September 2024
Number of loans	3
Aggregate amount of loans transferred (in Lakhs)	6,550.00
Weighted average remaining maturity (in years)	3.55
Weighted average holding period after origination (in years)	0.26
Retention of beneficial economic interest	Nil
Tangible security coverage	100%
Rating-wise distribution of loans	NA
Number of transactions where transferor has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

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

Particulars	Half Year Ended 30 September 2024
Number of loans	2518
Aggregate amount of loans transferred (in Lakhs)	32,797.28
Sale consideration (in Lakhs)	32,797.28
Weighted average remaining maturity (in years)	8.62
Weighted average holding period after origination (in years)	0.82
Retention of beneficial economic interest	15%
Tangible security coverage	64%
Rating-wise distribution of loans	NA
Number of transactions where transferor has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

(iv) During the half year ended 30 September 2024, the company has not transferred / acquired loans in default or stressed loans.

- 11 In terms of the requirements as per para 2.2 of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, as amended from time to time, on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 30 September 2024 and accordingly, amount required to be transferred to impairment reserve if any, will be assessed at year end.
- 12 The above financial results of the Company for the quarter and half year ended 30 September 2024 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 22 October 2024.
- 13 The figures for the previous periods pertaining to the financial year 2023-24 have been reviewed / audited by the erstwhile auditor.
- 14 Figures for the previous period/year have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.
- 15 The Disclosures as required under Regulation 52(4) have been given in Annexure A.
- 16 The Disclosures as required under Regulation 54(3) have been given in Annexure B.



Place: Mumbai
Date: 22 October 2024

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

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			Half Year Ended		Year Ended
		30 September 2024	30 June 2024	30 September 2023	30 September 2024	30 September 2023	31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Debt-equity ratio ¹	4.12 : 1	3.53 : 1	2.79 : 1	4.12 : 1	2.79 : 1	3.28 : 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	1,22,549.52	1,19,637.70	1,13,984.80	1,22,549.52	1,13,984.80	1,17,489.03
(h)	Net profit after tax	3,029.09	2,130.96	1,885.22	5,160.05	3,531.67	6,923.08
(i)	Earning per share (In ₹)						
	(a) Basic (Not Annualised)	0.33	0.23	0.21	0.56	0.39	0.75
	(b) Diluted (Not Annualised)	0.32	0.23	0.20	0.55	0.38	0.74
(j)	Current ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(k)	Long term debt to working capital ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(l)	Bad debts to Account receivable ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(m)	Current liability ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(n)	Total debts to total assets ⁵	0.81 : 1	0.79 : 1	0.75 : 1	0.81 : 1	0.75 : 1	0.78 : 1
(o)	Debtors turnover ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) ⁶	15.25%	12.90%	14.56%	14.18%	14.56%	12.13%
(s)	Gross NPA (%)	0.36%	0.33%	0.19%	0.36%	0.19%	0.23%
(t)	Net NPA (%)	0.14%	0.12%	0.05%	0.14%	0.05%	0.06%
(u)	Capital adequacy ratio (CRAR)	21.88%	22.86%	27.59%	21.88%	27.59%	25.09%
(v)	Liquidity coverage ratio (LCR)	102%	101%	Not Applicable	102%	Not Applicable	219%
(vi)	There is no material deviation in the use of proceeds from the issue of Non-Convertible Debentures.						

Notes:

- Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Debt.
- 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.
- Net worth is calculated as defined under Sec. 2(57) of the Companies Act, 2013
- Total debts to total assets = Total Liabilities (other than Equity) / Total Assets
- Net profit margin = Profit After Tax / Total Income



VIMAL
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To
The Board of Directors,
Arka Fincap Limited,
2504/ 5/ 6, 25th [Floor,
One Lodha Place, Lodha World Towers,
Senapati Bapat Marg, Lower Parel.
Mumbai - 400013.
(hereinafter referred as "Company")

To,
Catalyst Trusteeship Limited,
GDA House, Plot no 85,
Bhusari Colony, Paud Road,
Pune- 411038
(hereinafter referred as "Debenture Trustee")

Subject: Certificate of compliance of Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time and para 1 of Chapter V of the Operational Circular for Debenture Trustees dated March 31, 2023 (hereinafter collectively referred as "SEBI Regulations").

1. This certificate is issued, in accordance with the engagement letter dated July 20, 2024. The management has requested us to certify the accompanying statement of information for the, Fully Paid-up, secured, Redeemable Non-convertible Debentures and Fully Paid-up, secured, Redeemable Market Linked Debentures (collectively referred as "Secured NCDs") as on September 30, 2024, as stated in Annexure A annexed to the certificate for the purpose of its onward submission to the Debenture Trustees.
2. As required by Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred as "LODR Regulations"), the Company desires a certificate regarding maintenance of security cover as at September 30, 2024 against such secured NCDs for submission to the Debenture Trustees of such secured NCDs and internal references.

Accordingly, the Company has prepared details of security cover available for such secured NCDs in accordance with the unaudited financial results / financial information as at September 30, 2024 and other relevant documents/records maintained by the Company.



3. As required by Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended vide notification No. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter collectively referred as "SEBI Regulations"), the Debenture Trustee desires a certificate regarding the value of receivables/ book debts in respect of such secured NCDs, as prescribed in Master SEBI Circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 for Debenture Trustees dated March 31, 2023, as amended from time to time.

Management's Responsibility

4. The preparation and presentation of the "**Annexure A**", in the format prescribed in Operational Circular for Debenture Trustees dated March 31, 2023, is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents.
5. The management of the Company is also responsible for –
 - a. ensuring maintenance of the adequate security cover available for secured NCDs as per Regulation 54 of LODR Regulation.
 - b. accurate computation of security cover available for secured NCDs based on Financial Results/ financial information of the company as at September 30, 2024.
 - c. preparation and maintenance of proper accounting and other records & design, implementation and maintenance of adequate internal procedures/ systems/ processes /controls relevant to the creation and maintenance of the aforesaid records.
 - d. compliance of relevant terms of the aforesaid SEBI Regulations in all respect.
 - e. providing all relevant information to the Company's Debenture Trustee.
6. This responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

Auditor's Responsibility

7. Based on our examination of the security cover available for secured NCDs, which has been prepared by the management from the unaudited financial information as at September 30, 2024 and relevant records provided by the Company, our responsibility is to provide limited assurance on whether the Company has maintained security cover as per the requirements of DTDs, supplemental DTDs for all outstanding secured debt securities in accordance with Regulation 54 of LODR Regulations in respect of secured NCDs, for the quarter ended September 30, 2024.
8. A limited assurance engagement includes performing procedures to obtain sufficient and appropriate evidence on the reporting criteria. In this connection, we have performed the following procedures –
 - a. Checked the computation of security cover as at September 30, 2024, prepared by the management, as specified in the format prescribed in Operational Circular for Debenture Trustees dated March 31, 2023.
 - b. Traced the amounts forming part of the "**Annexure A**" with the information provided by the management and other relevant records and documents maintained by the Company and verified the arithmetical accuracy of the calculations.



- c. On sample basis, checked the details of the outstanding amounts and assets required to be maintained as collateral for a particular series of the secured debt securities from the books of accounts and other relevant records and documents maintained by the Company for the quarter ended September 30, 2024.
 - d. We did enquiries with the management of the Company and obtained management representation towards all the stated matters of the certificate
9. 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.
 10. We have examined the compliance status as stated in the statement, solely on the basis of the information provided by the management on test check basis, in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by the Institute of Chartered Accountants of India.
 11. 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 Service Engagements.
 12. The Statement has been prepared by the Management of the Company, which has been stamped and initialled by us for identification purpose.

Other Matter

13. As per para 3.1 (a) of the circular no. SEBI / HO / MIRSD /MIRSD_CRADT/COR/P/ 2022/67 dated May 19, 2022 - we are required to certify the book value of the assets, hence, we have not verified market value provided in the Statement of Security Cover (i.e, from Column K to Column O) and accordingly we do not express any conclusion on the same.

Conclusion

14. Based on our procedures as mentioned in Para 8 above, information and explanations given to us and management representations provided to us, nothing has come to our attention that causes us to believe that the security cover maintained by the Company against the individual outstanding secured NCDs are less than the ratio as prescribed.



Restriction on use

15. This Certificate has been issued at the specific request of the Company pursuant to the requirements of Regulation of 56 (1) (d) read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time. This certificate is addressed to and provided to the Board of Directors of the Company and the Debenture Trustee(s) pursuant to requirement of the aforesaid SEBI Regulations. Our certificate should not be used for any other person or for any other purpose. Our Obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this Certificate, or anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

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Shweta Singhal
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Shweta Singhal

Partner

Membership No. 414420

UDIN: 24414420BKASNZ1405

Place: Mumbai

Date: October 22, 2024



Annexure A													Rs. in Lakhs	
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+H)	
		Book Value	Book Value	Yes/No	Book Value	Book Value				Relating to Column F				
ASSETS														
Property, Plant & Equipment								981.43		981.43				
Capital Work-in-progress										601.48				
Right of Use assets														
Goodwill														
Intangible Assets								197.40		197.40				
Intangible Assets Under Development														
Investments								19,632.62	0.15	19,632.77				
Loans (refer note 1)					1,38,063.87	4,19,410.89				5,57,474.76			1,38,063.87	1,38,063.87
Inventories														
Trade Receivables														
Cash & Cash Equivalents								62,110.17		62,110.17				
Bank Balances other than Cash & Cash Equivalents								798.92		798.92				
Others (refer note 2)								11,355.98		11,355.98				
TOTAL					1,38,063.87	5,01,952.60		13,136.44		6,53,152.91			1,38,063.87	1,38,063.87
LIABILITIES														
Debt securities to which this certificate pertains (refer note 3)			Yes		1,23,271.31					1,23,271.31			1,23,271.31	1,23,271.31
Other debt sharing pari-passu charge with above debt			No			3,44,640.21				3,44,640.21				
Other debt														
Subordinated debt								13,819.76		13,819.76				
Borrowings														
Bank														
Debt securities								23,612.16		23,612.16				
Others														
Trade Payables								1,300.38		1,300.38				
Lease liabilities								791.05		791.05				
Provisions								508.92		508.92				
Others								22,345.57		22,345.57				
TOTAL					1,23,271.31	3,44,640.21		62,377.84		5,30,289.36			1,23,271.31	1,23,271.31
Cover on Book Value														
Cover on Market Value ix														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio (refer note 5)			1.12						

Notes to Annexure:

1) Loans amount is considered net of ECL provision and includes investments in NCDs, CPs 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 and Ind AS impact

4) Other Debt - Debt Securities (Column H) includes unsecured commercial papers

5) The above stated security cover of 1.12x has been arrived on the simple average basis (security basis the cover stipulated for individual NCDs vis - a - vis NCD liability amount), and meets the stipulated cover at individual ISIN level

6) The numbers filled in the annexure are extracted from the Financial Information provided by the management and have not been reviewed by the Statutory Auditor

7) Security Cover Ratio pertains to Listed Secured Non Convertible Debentures (NCDs) and Listed Secured Market Linked Debentures (MLDs) only, (collectively referred as NCDs)

AMIT KUMAR GUPTA
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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

Arkoskar Group Company

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

Annexure- III

(A) Statement of utilization of issue proceeds:

Name of the Issuer	Arka Fincap Limited	Arka Fincap Limited	Arka Fincap Limited
ISIN	INE03W107280	INE03W107298	INE03W107298 (Further issuance in the same ISIN)
Mode of Fund Raising (Public issues/ Private placement)	Private Placement	Private Placement	Private Placement
Type of instrument	Secured NCD	Secured NCD	Secured NCD
Date of raising funds (Date of allotment)	19 August 2024	27 August 2024	19 September 2024
Amount Raised	INR 100 Crore	INR 100 Crore	INR 50 Crore
Funds utilized	Yes	Yes	Yes
Any deviation (Yes/ No)	No	No	No
If any deviation, then specify the purpose of for which the funds were utilized	None	None	None
Remarks, if any	None	None	None

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

Name of the listed entity	Arka Fincap Limited	Arka Fincap Limited	Arka Fincap Limited			
Mode of Fund Raising	Private Placement	Private Placement	Private Placement			
Type of instrument	Secured NCD	Secured NCD	Secured NCD			
Date of Raising Funds (Date of allotment)	19 August 2024	27 August 2024	19 September 2024			
Amount Raised	INR 100 Crore	INR 100 Crore	INR 50 Crore			
Report filed for quarter ended						
Is there a deviation/ variation in use of funds raised?	None	None	None			
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	NA	NA	NA			
If yes, details of the approval so required?	NA	NA	NA			
Date of approval	NA	NA	NA			
Explanation for the Deviation Variation	NA	NA	NA			
Comments of the audit committee after review	NA	NA	NA			
Comments of the auditors if any						
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table: Not Applicable						
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
Not Applicable						

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
Amit Kumar Gupta
Chief Financial Officer



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

Arka Kirloskar Group Company

														Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.						
S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period*	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments			
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary						Opening balance*	Closing balance*	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other Indebtedness	Cost	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured
1	Arka Fincap Limited	AAHCK0936B	Arka Financial Holdings Pvt Ltd	AAVCA4748F	Holding Company	Any other transaction	Payments done on behalf of Arka Financial Holdings Pvt Ltd	Approved by the Audit Committee - At actuals	None	69.70	239.24	360.42								
2	Arka Fincap Limited	AAHCK0936B	Arka Financial Holdings Pvt Ltd	AAVCA4748F	Holding Company	Any other transaction	Reimbursement of Expenses	Omnibus Approval by the Audit Committee	None	51.48										
3	Arka Fincap Limited	AAHCK0936B	Arka Investment Advisory Services Pvt Ltd	AAWCA7461L	Subsidiary Company of Holding Company	Any other transaction	Payments done on behalf of Arka Investment Advisory Services Pvt Ltd	Approved by the Audit Committee - At actuals	None	151.12	260.88	470.24								
4	Arka Fincap Limited	AAHCK0936B	Arka Investment Advisory Services Pvt Ltd	AAWCA7461L	Subsidiary Company of Holding Company	Any other transaction	Reimbursement of Expenses	Omnibus Approval by the Audit Committee	None	58.23										
5	Arka Fincap Limited	AAHCK0936B	Arka Investment Advisory Services Pvt Ltd	AAWCA7461L	Subsidiary Company of Holding Company	Any other transaction	Sale of Investments done in the Arka Credit Fund I	Approved by the Audit Committee	None	3,095.00	-	-								
6	Arka Fincap Limited	AAHCK0936B	Kirloskar Management Services Private Limited	AAHCK9903E	Private Company in which Director of the Company is a Director	Purchase of goods or services	Expenses paid	Approved by the Audit Committee	None	57.83	(3.82)	25.15								
7	Arka Fincap Limited	AAHCK0936B	Arka Credit Fund I	AAJTA1669G	Entity under same group	Any other transaction	Income Earned from the Investment	Not Applicable	None	10.04	-	-								
8	Arka Fincap Limited	AAHCK0936B	Arka Credit Fund I	AAJTA1669G	Entity under same group	Any other transaction	Payments done on behalf of of Arka Credit Fund I	Approved by the Audit Committee - At actuals	None	63.26	-	-								
9	Arka Fincap Limited	AAHCK0936B	Vimal Bhandari	ABJPB8612R	Key Management Personnel	Remuneration		Refer Note 1 and 2	None	466.62	-	-								
10	Arka Fincap Limited	AAHCK0936B	Others		Key Management Personnel of the Company as well as Holding Company	Remuneration		Refer Note 2	None	293.76	-	-								
11	Arka Fincap Limited	AAHCK0936B	D Sivanandhan	AAVPD7633B	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	2.95	-	-								
12	Arka Fincap Limited	AAHCK0936B	Vijay Chugh	AACPC2897B	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	3.90	-	-								
13	Arka Fincap Limited	AAHCK0936B	Harish Engineer	AABPE8719P	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	1.95	-	-								
14	Arka Fincap Limited	AAHCK0936B	Yogesh Kapur	AAAPK6067H	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	3.90	-	-								
15	Arka Fincap Limited	AAHCK0936B	Gauri Kirloskar	AIRPK6675C	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	2.25	-	-								
16	Arka Fincap Limited	AAHCK0936B	Mahesh Chhabria	ADCPM8911H	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	5.15	-	-								
17	Arka Fincap Limited	AAHCK0936B	R Gurumurthy	AANPG0709P	Director	Remuneration	Director Sitting Fees	Refer Note 1	None	4.65	-	-								

*Inclusive of GST, if any

Note 1: As approved by the Nomination & remuneration Committee/Board of Directors

Note 2: The remuneration is paid by Arka Fincap Limited as its employees and it has been considered based on Form 16 (as per The Income Tax Act, 1961)

For Arka Fincap Limited



Amit Gupta

Chief Financial Officer

Date: 22-10-2024



PRESS RELEASE

Mumbai, 22nd October 2024: We are pleased to announce the appointment of Mr Samrat Gupta as the Managing Director, Arka Fincap Limited with effect from October 23, 2024.

Mr Samrat Gupta, in his previous role was the Managing Director & CEO at Tata Motors Finance Limited (TMF). Under his leadership, TMF experienced significant growth with strategic focus on enhancing shareholder value.

It is also informed that Mr Vimal Bhandari, the current CEO and Executive Vice Chairman, will be superannuating. We would like to thank Mr Vimal Bhandari for his contribution to the company over the last 6 years, and would like to wish him the very best in his future endeavours. Mr Bhandari will move from his executive role into a non executive role, on the Board of the company effective October 23rd, and will guide Mr Gupta as he transitions to the new role.

“We have successfully built a great organization over the last 6 years, with a strong track record. I am confident that Samrat will be the right leader to take the company into its next phase of growth,” said Vimal Bhandari, outgoing CEO, Arka Fincap Limited.

“We have always believed in building organizations that deliver value to all our stakeholders and we look at our businesses with a long term view. Vimal, as the founder CEO of the company has built a business with strong fundamentals, and I am sure that Samrat will continue to take the organization forward to great heights. Samrat brings a wealth of diverse experience from working with different organizations and has a proven track record of building great institutions. We are excited to have him join us,” said Gauri Kirloskar, Non-Executive, Non Independent Director, Arka Fincap Limited.



About Arka Fincap:

Arka Fincap Limited started in 2018 as a subsidiary of Kirloskar Oil Engines Limited (KOEL), growing from the intrinsic learnings of its 130-year-old legacy. Arka operates in four main business segments: MSME & personal lending, corporate lending, real estate & urban infrastructure financing and syndication.

As a non-banking financial company (NBFC), and with a CRISIL rating of AA/ Stable for long term and A1(+) for short term borrowings with a positive outlook, Arka ably offers growth capital to businesses. As on 30th September 2024, Arka's AUM was INR 6284 Cr. From the presence across 35 branches in India as on 30th September 2024, Arka has been expanding its reach to enable businesses across the nation to get ahead.

Corporate Communications:

Megha Jamb - megha.jamb@arkaholdings.com

Onkar Kanade - onkar.kanade@arkaholdings.com