

## NOTICE OF THE TENTH EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the **10<sup>th</sup> Extraordinary General Meeting** of the Members of Arka Fincap Limited will be held at shorter notice on **January 23, 2024 at 11.30 a.m. at 2504, 2505, 2506, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai 400013** to transact the following special businesses:

**1. Re- appointment of Mr. Vimal Bhandari (DIN: 00001318) as Executive Vice Chairman and CEO designated as Whole-Time Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to (i) the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules framed thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Companies Act, 2013, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) read with the circulars and notifications issued by the Ministry of Corporate Affairs (“**the Act**”); (ii) the applicable provisions of the Articles of Association of the Company (“**AOA**”); (iii) the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR**”) read with the circulars, notifications and guidelines issued by Securities and Exchange Board of India (“**SEBI**”); (iv) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended (“**RBI Directions**”) read with the circulars, notifications and guidelines issued by Reserve Bank of India (“**RBI**”); (v) Policy on Selection/“Fit & Proper” Person Criteria of the Company (“**Fit & Proper Policy**”); (vi) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications; and (vii) on recommendation of the Nomination & Remuneration Committee and on approval of the Board of Directors, and subject to such other sanctions/approvals/consents/permissions, as may be necessary or required, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Vimal Bhandari as an Executive Vice Chairman and CEO of the Company designated as Whole-Time Director for a term of 5 years with effect from November 1, 2023, liable to retire by rotation on the terms and conditions of appointment and remuneration as set out in the Letter of Employment/Re-appointment dated November 1, 2023 issued by the Company to Mr. Vimal Bhandari (“**Letter of Employment**”), material terms of which are set out in the statement annexed to the Notice convening this Extraordinary General Meeting.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196 of the Act, approval of the Members of the Company be and is hereby accorded to continue the employment of Mr. Vimal Bhandari as Executive Vice-Chairman & CEO designated as a Wholetime Director of the Company even after Mr. Bhandari attaining 70 years of age during continuation of term of 5 years.”

**“RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Act, SEBI LODR, RBI Directions and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and such subject to such sanctions/approvals/consents/permission, as may be required, the Board of Directors (hereinafter to be referred as the “**Board**” which term shall be deemed to include any Committee constituted/may be constituted by the Board of Directors and/or as may be authorised by the Board in this regards) be and is hereby authorised to

### Arka Fincap Limited

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

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

modify/alter/vary the terms and conditions of the said re-appointment including remuneration in such manner, as may be agreed to between the Board and Mr. Vimal Bhandari.”

“**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Act, SEBI LODR and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and such subject to such consent(s)/permission(s)/sanction(s), as may be required, where in any financial year during the currency of the tenure of Mr. Vimal Bhandari as Executive Vice-Chairman & CEO designated as Whole-Time Director, in case the Company have inadequacy of profits or loss, the remuneration/other benefits/perquisites payable to Mr. Vimal Bhandari, shall be paid as minimum remuneration, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act;”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions/doubts/queries/difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

## **2. Appointment of Mr. Ramanathan Gurumurthy (DIN: 10366010) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** Mr. Ramanathan Gurumurthy (DIN: 10366010) who was appointed as an Additional Director of the Company with effect from October 25, 2023 and who holds office up to the date of the next Annual General Meeting of the Company, pursuant to the provisions of the Section 161 of the Companies Act, 2013 (“**Act**”) and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of a Director of the Company and who is eligible for appointment as a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** pursuant to (i) the provisions of Sections 149, 150, 152 and any other applicable provisions of the Act read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force); (ii) Regulation 16(1)(b), Regulation 17(1C), Regulation 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the “SEBI LODR”**) (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force); (iii) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended (“**RBI Directions**”); and (iv) other applicable laws, acts, rules and regulations and subject to such sanctions/approvals/permissions/consents, as may be required, Mr. Ramanathan Gurumurthy (DIN: 10366010), who is eligible for appointment as independent director and meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from October 25, 2023 to October 24, 2028.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter to be referred as the “**Board**” which term shall be deemed to include any Committee constituted/may be constituted by the Board of Directors and as may be authorised by the Board in this regards) be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions/doubts/queries/difficulties that may arise in

this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### **3. Approval for selling/assigning/securitisation of the assets including loan receivables/book, book debts and investments of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to (i) the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) (“**the Act**”); (ii) the applicable provisions of the Memorandum of Association and the Articles of Association of the Company; (iii) Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) (“**SEBI LODR**”); (iv) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“**RBI Directions**”); and (iii) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and subject to such other sanctions/consents/permissions/approvals, as may be required, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee constituted / may be constituted by the Board of Directors of the Company or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorised by the Board in this regard), to sell/assign/securitise assets including, present and/or future loan receivables/book, book debts and investments of the Company, in favour of bank(s) or financial institution(s) or asset reconstruction company(ies) or other entity(s) or body corporate(s) or person(s), in such form and manner and upon such terms and conditions as the Board may determine and think fit for the said purpose, provided that the aggregate amount of such sale/assignment/securitisation transactions shall not exceed Rs. 990 Crore (Rupees Nine Hundred and Ninety Crore only), in one more or tranches, during a financial year.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions/doubts/queries/difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By the Order of the Board of Directors  
For Arka Fincap Limited**

**Niki Mehta  
Company Secretary  
Membership No. A472986**

#### **Registered Office:**

2504, 2505, 2506, One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Date : January 22, 2024

Place : Mumbai

## NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“Secretarial Standards”) in respect of the businesses as set out in the Notice convening 10<sup>th</sup> Extraordinary General Meeting of the Company (“EGM Notice”) is annexed hereto and forms part of the EGM Notice.
  2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
  3. Pursuant to the provisions of the Act and the Rules made thereunder, a person can act as proxy on behalf of the members not exceeding 50 (fifty) in number and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the companies, must be supported by an appropriate resolution/authority, as applicable. A member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
  4. Pursuant to Section 101 of the Act, consent to convene the meeting at shorter notice has been obtained from the Members of the Company.
  5. In pursuance of Section 113 of the Act, Corporate members intending to appoint their authorized representatives to attend and to vote at the EGM are requested to send a certified true copy (PDF Format) of their Board/Governing Body Resolution/Authorization to the Company. The said resolution/authorization can be sent to the Company at e-mail: [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com)
  6. Proxy shall not vote, except on a Poll.
  7. All documents referred to in the EGM Notice and the Explanatory and such statutory records and registers, as are required to be kept open for inspection under the Act, shall be available for inspection by the Members at the Registered Office of the Company during business hours and during the continuance of EGM. The Members can send a request to the Company at [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com) to inspect the same.
  8. Member/Proxy, desirous of attending the Meeting, must bring the Attendance Slip (enclosed herewith) to the Meeting duly completed and signed, and hand over the same at the entrance of venue of the meeting.
  9. The relevant details as required under Clause 1.2.5 of secretarial standard on general meetings issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/re-appointment as director is given in the annexure forming part of this Notice.
  10. Members are requested to note that they may write their queries in respect of the resolutions set out in the EGM Notice at [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com).
  11. The route map showing directions to reach the venue of the EGM forms part of this Notice.
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## ANNEXURE TO NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND OTHER RELEVANT PROVISION(S) OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

#### Item No. 1

#### **Re- appointment of Mr. Vimal Bhandari (DIN: 00001318) as Executive Vice Chairman and CEO designated as Whole-Time Director**

The Board of Directors (“Board”) of Arka Fincap Limited (“the Company” or “AFL”) at its meeting held on August 21, 2018 and subsequently the shareholders of the Company at their Extraordinary General Meeting held on November 14, 2018 appointed Mr. Vimal Bhandari as the Executive Vice Chairman and CEO of the Company for a period of 5 years with effect from November 1, 2018. The term of Mr. Vimal Bhandari expired on October 31, 2023.

The business activities of the Company are increasing along with growth and opportunities in the financial services sector. The Company is continuously expanding its financial services portfolio. In view of the growing business activities of the Company, responsibilities of the Whole-time Director have considerably increased. Over the past years, Mr. Vimal Bhandari has been instrumental in the growth of the Company and has demonstrated exemplary leadership, strategic vision and unparalleled dedication to the growth and success of the organization. Under his guidance, the Company has achieved remarkable milestones and consistently delivered outstanding financial performance. Considering the same and his expertise/experience in the financial services sector, the Board of the Company at its meeting held on July 25, 2023, on recommendation of the Nomination and Remuneration Committee, approved re-appointment of Mr. Vimal Bhandari as Executive Vice-Chairman & CEO designated as Whole-Time Director of the Company for another term of 5 years effective from November 1, 2023 on the terms and conditions including remuneration as set out in the Letter of Employment/Re-appointment (“Letter of Employment”) dated November 1, 2023, material terms of which are mentioned below:

Sr. No.	Particulars	Details
1.	Term	Mr. Vimal Bhandari shall hold office for a term of 5 years effective from November 1, 2023 till October 31, 2028, liable to retire by rotation
2.	Fixed Remuneration	Rs. 3,50,70,749/- per annum The Nomination Remuneration Committee/Board of Directors to approve any variation/revision including annual increment in the remuneration in accordance with the Company’s policy and subject to the provisions of the Companies Act, 2013 (“the Act”) and other applicable laws.
3.	Variable Pay/Bonus	As may be approved by the Nomination Remuneration Committee/Board of Directors in accordance with the Company’s policy and subject to the provisions of the Act and other applicable laws.
4.	Vehicle Expenses	The Company will bear expenses for providing two vehicles along with driver for official use. The operating expenses (like petrol, repair) will be borne by the Company. The total Cost to the Company for providing two vehicles will be Rs. 50 lakhs.

Sr. No.	Particulars	Details
		If the limit of Rs. 50 Lakhs is breached, Mr. Vimal Bhandari to reimburse the Company the extra expense incurred. If the total cost incurred is less than Rs. 50 Lakhs, the company would pay the difference as an allowance.
5.	Other Benefits	Other benefits such as medical insurance, reimbursements like telephone expenses, monthly club (one leisure, one business) will be borne by the Company.  The Company shall provide all statutory benefits in accordance with the company's policies.
6.	Stock Options	Grant of stock options in accordance with the ESOP Plan of the Company and as may be approved by Nomination and Remuneration Committee and subject to the provisions of the Companies Act, 2013 and other applicable laws
7.	Life Insurance	As per Company's Group Term Insurance Policy
8.	Medical Insurance	As per the Company's Group Medical Insurance Policy

The Letter of Employment dated November 1, 2023 containing the terms and conditions of re-appointment including remuneration for inspection by the Members of the Company during normal business hours on any working day and during the continuance of EGM. The Members can send a request to the Company at [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com) to inspect the same.

Mr. Vimal Bhandari has over 35 years of rich work experience in a range of businesses in the financial services industry of which 25 years have been at the Board of Directors level. He also has rich experience of building businesses from inception stage (startup team of IL&FS, first country head of AEGON NV, first CEO of IndoStar Capital). Mr. Bhandari is a commerce graduate from Mumbai University (Sydenham College) and a qualified Chartered Accountant from Institute of Chartered Accountants of India.

The Members are requested to note that in terms of Section 196, Section 197, Section 198 of the Act read with Schedule V to the Act, in case of absence or inadequacy of profits in any financial year, the remuneration/other benefits/perquisites payable to Mr. Vimal Bhandari as an Executive Vice-Chairman & CEO designated as Whole-Time Director as stated in the Letter of Employment, shall be paid as minimum remuneration, subject to the provisions of the Act read with the rules framed thereunder and Schedule V to the Act.

Brief Profile of Mr. Vimal Bhandari and disclosure(s)/information as required under the Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, are set out in the Annexure to the Notice convening this EGM.

Members are requested to note that the Company has received consent in writing from Mr. Bhandari to be re-appointed as Executive Vice-Chairman & CEO designated as Whole-Time Director and declaration(s) and confirmation(s) stating that he satisfies all the conditions for re-appointment as a Whole-Time Director as set out in Section 196(3) and Part-I of Schedule V to the Act and that he is not disqualified from being re-appointed as a Whole-Time of the Company in terms Section 164 and other provisions of the Act, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“RBI Directions”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI LODR”).

Members are further requested to note that pursuant to Section 178 of the Act, SEBI LODR and RBI Directions, the Nomination and Remuneration Committee evaluated the fit & proper criteria of Mr. Vimal Bhandari and recommended the re-appointment of Mr. Vimal Bhandari as Executive Vice Chairman & CEO designated as Whole-

Time Director of the Company for a period of 5 years effective from November 1, 2023 to the Board of the Company. On recommendation of the Nomination and Remuneration Committee, The Board of the Company at its meeting held on July 25, 2023 approved the re-appointment of Mr. Vimal Bhandari as Executive Vice Chairman & CEO designated as Whole-Time Director of the Company for a period of 5 years effective from November 1, 2023, subject to the approval of the shareholders of the Company.

In terms of Section 203 of the Act, Mr. Vimal Bhandari is designated as Key Managerial Person of the Company. Mr. Vimal Bhandari is not related to any director or key managerial personnel of the Company.

Pursuant to Section(s) 196, 197 and 203 of the Act read with the rules framed thereunder and Schedule V to the Act and applicable provisions of SEBI LODR, the re-appointment of Mr. Vimal Bhandari as Executive Vice-Chairman & CEO designated as Whole-Time Director on the material terms and conditions as set out in this Notice is subject to the approval of the shareholders of the Company. Further, the rich experience and expertise of Mr. Vimal Bhandari in the opinion of the Board is very vital in the business expansion and growth of business of the Company and accordingly the approval of the shareholders of the Company by way of special resolution is also sought for continuing the employment of Mr. Vimal Bhandari as Executive Vice-Chairman & CEO designated as Whole-Time Director on attaining the age of 70 years during the tenure of re-appointment.

The role of Mr. Vimal Bhandari was very instrumental in setting of the business for the Company. Under his guidance and assistance, the Company scaled up its lending business into Wholesale Lending and SME & Retail Lending. Currently, the SME & Retail Lending Business of the Company achieved the mark of an AUM of Rs. 2,000 crore. Mr. Vimal Bhandari played a major role in recent successful completion of the maiden public issue of non-convertible debentures.

The information in terms of para (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Act, is as detailed below:

Sr. No.	Particulars	Details
<b>General Information</b>		
1.	Nature of industry	<p>The Company is registered with the Reserve Bank of India (RBI) as a non-banking financial Company. The Company is categorised as NBFC – Middle Layer under RBI Directions.</p> <p>The Company is a professionally managed organization part of the Kirloskar Group, primarily engaged in providing structured term financing solutions to corporates, real estate and urban infra financing, loans to micro, small and medium enterprise (“MSME”) and personal finance loans to borrowers in India.</p> <p>The Company operate four principal lines of business, namely corporate lending, real estate and urban infra financing, MSME lending and personal lending.</p>
2.	Date or expected date of commencement of commercial production	The Company made first disbursement in the space of Wholesale Lending in the year 2019. Further, in the year 2020, the Company first disbursed in the space of SME & Retail Lending.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

Sr. No.	Particulars	Details									
4.	Financial performance based on given indicators	As on March 31, 2023: Networth: Rs. 1,033 Crore Total Income: Rs. 372.9 Crore PBT: Rs. 82.8 Crore PAT: Rs. 61.4 Crore									
5.	Foreign investments or collaborations, if any.	None									
<b>Information about the appointee: Mr. Vimal Bhandari</b>											
1.	Background details, job profile and suitability and recognition or awards	<p>Mr. Vimal Bhandari has over 35 years of rich work experience in a range of businesses in the financial services industry of which 25 years have been at the Board of Directors level. He also has rich experience of building businesses from inception stage (startup team of IL&amp;FS, first country head of AEGON NV, first CEO of IndoStar Capital and Arka Fincap).</p> <p>He also serves as an independent Director on the boards of various companies in diverse business segments including Bharat Forge, Kalpataru Projects International (formerly known as Kalpataru Power Transmission), HDFC Trustee, JK Tyre, DCM Shriram and Escorts Kubota. Mr. Vimal Bhandari is a Chartered Accountant from Institute of Chartered Accountants of India with a Commerce degree from Mumbai University (Sydenham College).</p> <p>Brief Profile of Mr. Vimal Bhandari is as mentioned in the Annexure to this Notice convening EGM.</p>									
2.	Past Remuneration and Remuneration proposed	<p><b>Past Remuneration:</b></p> <table border="1"> <thead> <tr> <th colspan="3">For Fiscal (in lakhs)</th> </tr> <tr> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>585.34</td> <td>530.85</td> <td>500.93</td> </tr> </tbody> </table> <p><b>Remuneration Proposed:</b> As mentioned in the explanatory statement annexed to this Notice.</p>	For Fiscal (in lakhs)			2023	2022	2021	585.34	530.85	500.93
For Fiscal (in lakhs)											
2023	2022	2021									
585.34	530.85	500.93									
3.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of the Company, contribution of Mr. Vimal Bhandari in concluding and implementing strategic business deals, the relevance of experience and expertise in the financial services industry, the remuneration of Mr. Vimal Bhandari is commensurate with the general industry standards.									
4.	Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any.	Except to the extent of remuneration being paid, stock options being granted and the equity share held by him, Mr. Vimal Bhandari does not have any pecuniary relationship directly or indirectly with the company, or relation with the key managerial personnel.									

Sr. No.	Particulars	Details
<b>Other Information</b>		
1.	<ul style="list-style-type: none"> <li>- Reason for loss or inadequate profit</li> <li>- Steps taken or proposed to be taken for improvement</li> <li>- Expected increase in productivity and profits in measurable terms</li> </ul>	Not Applicable

Members are requested to note that as a part of strategic planning and subject to the provisions of the Act, Mr. Vimal Bhandari has been appointed as a Managing Director of Arka Financial Holdings Private Limited, holding company of the Company.

In compliance with the provisions of Section 196, Section 197, Section 198, Section 203 and other applicable provisions of the Act read with the rules framed thereunder and Schedule V to the Act and in terms of the applicable provisions of the SEBI LODR, each as amended, re-appointment of Mr. Vimal Bhandari as an Executive Vice-Chairman & CEO designated as Whole-Time Director, liable to retire by rotation, for a term of 5 years commencing from November 1, 2023, is being placed before the Members for their approval by way of a Special Resolution at this EGM.

The Board commends passing of the special resolution as proposed at Item No. 1 for re- appointment of Mr. Vimal Bhandari as an Executive Vice-Chairman & CEO designated as Whole-Time Director of the Company for a period of 5 years commencing on November 1, 2023, for approval by the Members of the Company.

Except for Mr. Vimal Bhandari and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise in the special resolution set out at Item no. 1 of the EGM Notice.

## **Item No. 2:**

### **Appointment of Mr. Ramanathan Gurumurthy (DIN: 10366010) as an Independent Director**

In order to further strengthen the composition of the Board of Directors (“the Board”) and to augment its skill sets, the Board considered it prudent to induct an independent director on the Board of the Company. Considering (i) the experience, professional expertise and qualifications of Mr. Ramanathan Gurumurthy (DIN: 10366010); (ii) the various confirmations/declarations including a confirmation that he meets the eligibility criteria for being appointed as an Independent Director and that he also meets the fit & proper criteria prescribed by Reserve Bank of India (“RBI”); and (iii) pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder (“the Act”), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“RBI Directions”), the Nomination and Remuneration Committee recommended the appointment of Mr. Ramanathan Gurumurthy as an Additional Independent Director of the Company for a term of 5 consecutive years commencing from October 25, 2023 till October 24, 2028.

On recommendation of the Nomination and Remuneration Committee, the Board of the Company at its meeting held on October 25, 2023 appointed Mr. Ramanathan Gurumurthy (DIN: 10366010) as an Additional Director to hold office upto the date of the next annual general meeting of the Company or the last date on which the annual general meeting



should have been held, whichever is earlier and as an Independent Director, subject to the approval of the shareholders of the Company.

In terms of Section 149, Section 152 of the Act read with Schedule IV to the Act and the rules framed thereunder, the appointment of Mr. R Gurumurthy as an Independent Director is subject to approval of the shareholders of the Company and in terms of Regulation 17(1C) of SEBI LODR, the approval of the shareholders of the Company is required to be obtained in the next general meeting or within a period of 3 months from the date of appointment, whichever is earlier. Further, in terms of Regulation 25(2A) of SEBI LODR, the appointment of Mr. Ramanathan Gurumurthy is subject to the approval of the shareholders of the Company by way of special resolution.

The additional information/disclosure as required under Secretarial Standards on General Meetings including brief profile of Mr. Ramanathan Gurumurthy is annexed to this EGM Notice.

Members are requested to note that the Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Mr. Ramanathan Gurumurthy as a Director of the Company.

Mr. Ramanathan Gurumurthy has provided his consent to act as a Director of the Company and has also confirmed that he meets the Fit and Proper criteria prescribed by the Reserve Bank of India as well as criteria for appointment of Independent Director in terms of Section 149 of the Act and Regulation 16 of SEBI LODR. Mr. Ramanathan Gurumurthy also confirmed that he does not attract any disqualifications as per relevant regulatory provisions of the Act, SEBI LODR and RBI Directions.

The Board had assessed the veracity of the declarations/documents/confirmations furnished by Mr. Ramanathan Gurumurthy. Basis the declarations/documents/confirmations furnished by Mr. Ramanathan Gurumurthy, the Board of Directors are of the opinion that he fulfils the conditions/criteria specified under the Act and SEBI LODR in relation to his appointment as an independent director of the Company and that Mr. Ramanathan Gurumurthy is independent of the management of the Company. Considering Mr. Gurumurthy's skill sets coupled with his rich experience in Banking sector, the Board is of the view that his appointment as an independent director would be in the best interest of the Company.

The notice of candidature received from a member under Section 160 of the Act and a copy of the letter of appointment setting out the terms and conditions of appointment of Mr. Ramanathan Gurumurthy as an independent director, is available for inspection by the Members of the Company during normal business hours on any working day and during the continuance of EGM. The Members can send a request to the Company at [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com) to inspect the same.

Mr. Ramanathan Gurumurthy is not related to any director or key managerial personnel of the Company.

In compliance with the provisions of Sections 149, 152, 161 and other applicable provisions of the Act read with Schedule IV of the Act and in terms of the applicable provisions of SEBI LODR, each as amended, appointment of Mr. Ramanathan Gurumurthy as an Independent Director of the Company, not liable to retire by rotation, for a term of 5(five) consecutive years commencing from October 25, 2023 upto October 24, 2028, is being placed before the Members for their approval by way of a Special Resolution at this EGM.

The Board commends passing of the special resolution as proposed at Item No. 2 for appointment of Mr. Ramanathan Gurumurthy as an Independent Director of the Company, for approval by the Members of the Company.

Except for Mr. Ramanathan Gurumurthy and their relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise in the special resolution set out at Item no. 2 of the EGM Notice.



### Item No. 3

#### **Approval for selling/assigning/securitisation of the assets including loan receivables/book, book debts and investments of the Company**

Members are requested to note that considering expansion of Company's business, the need for additional sources of funds, to enhance its liquidity position and/or to be able to explore other opportunities of fund raising, the Company may raise funds by way of sale/assignment/securitisation of its assets including loan book/receivables, book debts and/or investments of the Company ("the Board") of the Company at their meeting held on October 25, 2023 approved sale/assignment/securitisation of the assets of the Company including loan receivables/book, book debts and investments of the Company to any bank or financial institution or any other eligible entities or persons for an amount not exceeding Rs. 990 Crore during a financial year, subject to the approval of the shareholders of the Company.

Members are further requested to note that in terms of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder ("the Act"), the Board of the Company can with the approval of the shareholders of the Company by way of special resolution sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking. The sale/assignment/securitisation of the assets of the Company including loan receivables/book, book debts and investments of the Company to any bank or financial institution or any other eligible entities or persons for an amount not exceeding Rs. 990 Crore during a financial year may result into disposal of the undertaking and shall require approval of the shareholders of the Company by way of special resolution in terms of Section 180(1)(a) of the Act.

The Board commends passing of the special resolution as proposed at Item No. 3 for sale/assignment/securitisation of the assets of the Company including loan receivables/book, book debts and investments of the Company to any bank or financial institution or any other eligible entities or persons for an amount not exceeding Rs. 990 Crore during a financial year, for approval by the Members of the Company.

Except to the extent of any transaction of sale/assignment/securitisation of assets of the Company including loan receivables/book, book debts and investments of the Company that may be executed by it with any entity in which the directors or key managerial personnel of the Company or their relatives may be concerned or interested in any capacity), none of the directors, key managerial personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise in the special resolution set out at item no. 3 of the Notice.

**By the Order of the Board of Directors  
For Arka Fincap Limited**

**Niki Mehta  
Company Secretary  
Membership No. A472986**

**Registered Office:**

2504, 2505, 2506, One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Date : January 22, 2024

Place : Mumbai

## ANNEXURE A

**PURSUANT TO THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS, BRIEF RESUME AND OTHER DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS EXTRAORDINARY GENERAL MEETING IS FURNISHED BELOW**

<b>Particulars</b>	<b>Mr. Vimal Bhandari (DIN: 00001318)</b>	<b>Mr. Ramanathan Gurumurthy (DIN :10366010)</b>
Date of Birth	23/08/1958; 65 years	06/06/1963; 60 years
Qualification	BCom., Chartered Accountant	Bachelor's degree from Delhi University, Certified Associate of the Indian Institute of Bankers
Date of first appointment	November 1, 2018 ( <i>Effective first appointment date as Executive Vice Chairman and CEO designated as Whole-Time Director</i> )  November 1, 2023 ( <i>date of re-appointment for his second term</i> )	October 25, 2023
Brief Profile including qualification and experience	<p>Mr. Vimal Bhandari is an accomplished, dedicated and focused professional with experience of over 35 years in a range of businesses in the financial services industry, of which twenty-five years have been at the Board of Directors level.</p> <p>For 6 years till 2017, Mr. Vimal Bhandari was the Managing Director &amp; CEO, from inception, of IndoStar Capital Finance Limited (a NBFC established by international investors like Everstone, Goldman Sachs, Ashmore and others in 2011 with an initial capitalization of Rs. 9 billion and engaged in corporate, real estate and SME lending and venturing into housing finance), has spearheaded its growth to achieve loans outstanding of about Rs.52 billion and PAT of Rs.2.1 billion in FY 2017. Was listed in CY 2018.</p> <p>Mr. Bhandari previously, for 7 years (2004-11) was the Country Head, from inception of AEGON N.V. the Dutch life insurance and pension player, strategized the global giant's India Strategy entailing the establishment, development and growth of a life insurance company in partnership with Religare, the financial services company of the Ranbaxy Promoter Group, along with Times of India Group as a financial partner.</p> <p>Before moving to AEGON, Mr. Bhandari gained 16 years (1988-2004) of top management experience at IL&amp;FS Limited of which 9 years</p>	<p>Mr. Ramanathan Gurumurthy, superannuated end June 23 as Head of Governance at RBL Bank. He brings about 38 years of exposure in the banking sector both in India and in Hong Kong.</p> <p>During the 6 years in his last role, he oversaw the assurance, operations, technology &amp; credit functions in the bank. He joined RBL Bank in mid 2011 as part of the transformation team and was heading the Corporate &amp; Institutional Banking business group for about 5 years. He also managed the regulatory interface for RBL Bank for several years.</p> <p>Prior to joining RBL Bank, he set up &amp; headed the FI Strategic Coverage Group for Standard Chartered Bank for India. In this role he was responsible for building &amp; managing relationships for the Bank with large / strategic clients in the Financial Services space. Prior to joining Standard Chartered Bank, he had a long stint with Bank of America in which he managed relationships with the IT sector, Corporates &amp; Financial Institutions.</p> <p>In earlier assignments he has been associated with Credit Lyonnais and</p>

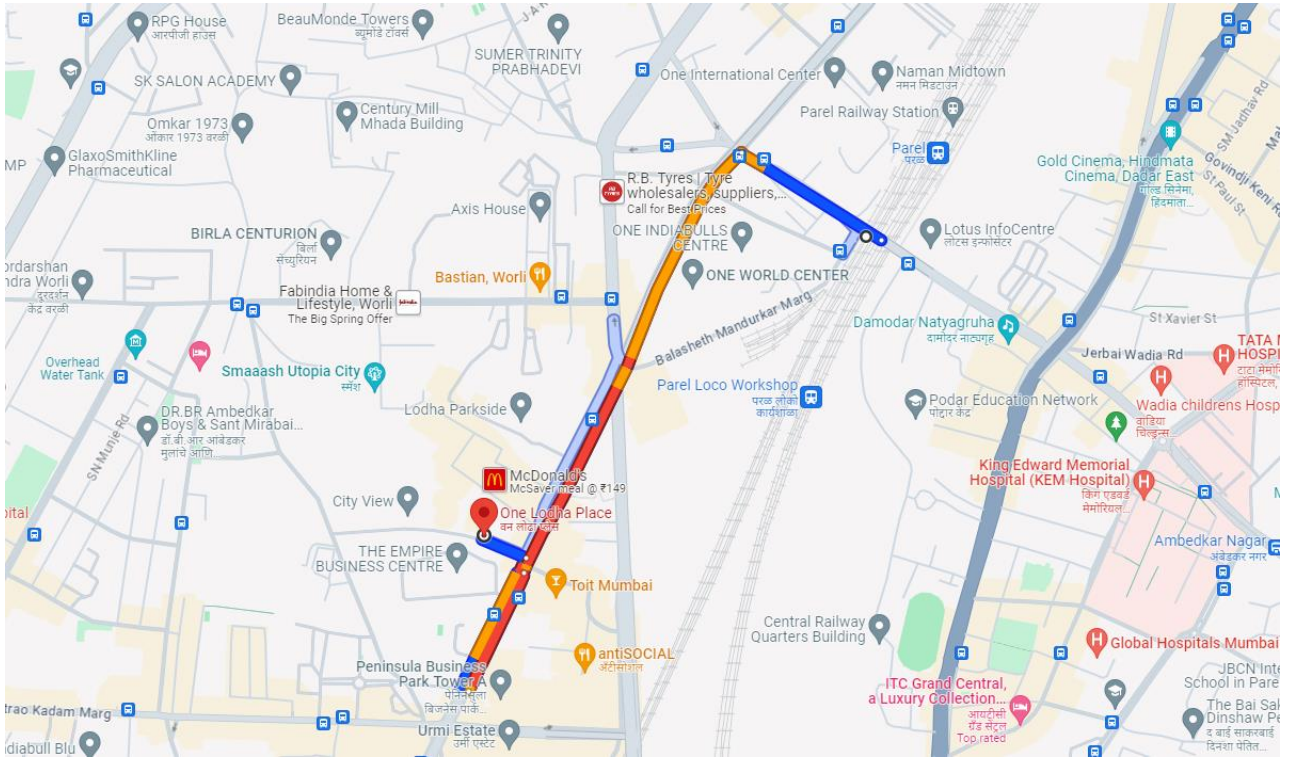
Particulars	Mr. Vimal Bhandari (DIN: 00001318)	Mr. Ramanathan Gurumurthy (DIN :10366010)
	<p>were spent at the Board level as the Executive Director responsible for its financial services business. Additionally, functioned as Non-Executive Director on IL&amp;FS Group entities in diverse financial services businesses of stock broking, private equity, infrastructure project development, and healthcare management services and as Director-In-Charge for the asset management and merchant banking subsidiaries.</p> <p>Mr. Bhandari has been building businesses from inception (startup team of IL&amp;FS, first country head of AEGON, first CEO of IndoStar Capital and Arka Fincap) and managing their growth and scale has honed skills and experience in business strategy, planning, execution with a strong bottom-line focus, meeting the expectations of key stakeholders, recruiting, leading and managing senior management talent and providing an environment of support for performers. A firm believer in building businesses using processes and procedures, and operating in an ethical framework of governance, has an unblemished record of dealing with various stakeholders, including institutional investors, banks, regulators and corporates with fairness and equity.</p> <p>Mr. Bhandari is a relationship builder possessing strong communication and interpersonal skills, with an extensive network of contacts, associates and friends at all levels in the financial services sector, corporates, professional legal and accounting firms, media, and select regulatory bodies. Serves as an independent Director on boards of various companies in diverse business segments including Bharat Forge, Kalpataru Projects International (earlier known as Kalpataru Power Transmission, HDFC Trustee, JK Tyre, DCM Shriram and Escorts Kubota Limited.</p> <p>Mr. Bhandari is a Commerce graduate from Mumbai University (Sydenham College) and Chartered Accountant from the Institute of Chartered Accountants of India.</p>	<p>State Bank of India. He has extensive experience in wholesale banking, capital markets, integrated risk management &amp; management of large / diverse teams in leadership both in India &amp; outside.</p> <p>Gurumurthy holds a Bachelor's degree from Delhi University and is a Certified Associate of the Indian Institute of Bankers.</p>

Particulars	Mr. Vimal Bhandari (DIN: 00001318)	Mr. Ramanathan Gurumurthy (DIN :10366010)																		
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None	None																		
Expertise in specific functional areas	Over 35 years of experience in Financial Services Sector	Over 38 years of exposure in the financial services including banking sector																		
Shares held in the Company	1 (one) Equity share held in terms of Section 89 of the Companies Act, 2013, Mr. Vimal Bhandari is the “Registered Owner” and the “Beneficial Owner being Arka Financial Holdings Private Limited.	None																		
Directorships held in other companies	<ul style="list-style-type: none"> <li>• Escorts Kubota Limited</li> <li>• Bharat Forge Ltd</li> <li>• Kalpataru Projects International Limited</li> <li>• DCM Shriram Limited</li> <li>• JK Tyre &amp; Industries Limited</li> <li>• HDFC Trustee Company Limited (Trustee of HDFC Mutual Fund)</li> <li>• Arka Financial Holdings Private Limited</li> <li>• Kirloskar Management Services Private Limited</li> </ul>	None																		
Memberships/ Chairmanship of Committees in other companies	<table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Position held</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Escorts Kubota Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Nomination, Remuneration and Compensation Committee</td> <td>Chairman</td> </tr> <tr> <td>Stakeholder’s and Relationship Committee</td> <td>Member</td> </tr> <tr> <td rowspan="2">Kalpataru Power Transmission Ltd</td> <td>Nomination &amp; Compensation Committee</td> <td>Chairman</td> </tr> <tr> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>JK Tyre &amp; Industries Limited</td> <td>Nomination &amp; Remuneration Committee</td> <td>Member</td> </tr> </tbody> </table>	Name of the Company	Name of the Committee	Position held	Escorts Kubota Limited	Audit Committee	Chairman	Nomination, Remuneration and Compensation Committee	Chairman	Stakeholder’s and Relationship Committee	Member	Kalpataru Power Transmission Ltd	Nomination & Compensation Committee	Chairman	Audit Committee	Member	JK Tyre & Industries Limited	Nomination & Remuneration Committee	Member	None
Name of the Company	Name of the Committee	Position held																		
Escorts Kubota Limited	Audit Committee	Chairman																		
	Nomination, Remuneration and Compensation Committee	Chairman																		
	Stakeholder’s and Relationship Committee	Member																		
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	Audit Committee	Member																		
JK Tyre & Industries Limited	Nomination & Remuneration Committee	Member																		

Particulars	Mr. Vimal Bhandari (DIN: 00001318)		Mr. Ramanathan Gurumurthy (DIN :10366010)	
	Bharat Forge Limited	Nomination & Remuneration Committee	Member	
		Audit Committee	Member	
		Finance & Risk Management Committee	Member	
	DCM Shriram Limited	Nomination & Remuneration Committee	Member	
		Risk Management Committee	Member	
	HDFC Trustee Company Limited	Customer Service Committee	Chairman	
		Risk Management Committee	Chairman	
		Audit Committee	Chairman	
		Committee of Trustee to approve investments in Unrated Debt Securities by schemes of HDFC Mutual Funds	Chairman	
		Committee of Trustee to approve investments by Schemes of HDFC Mutual Fund in Debt Securities issued by a single issue	Chairman	
	Arka Fincap Limited	Allotment Committee	Member	
		Corporate Social Responsibility Committee	Chairman	

Particulars	Mr. Vimal Bhandari (DIN: 00001318)		Mr. Ramanathan Gurumurthy (DIN :10366010)												
		<table border="1"> <tr> <td data-bbox="576 383 807 450">IT Strategy Committee</td> <td data-bbox="807 383 967 450">Member</td> </tr> <tr> <td data-bbox="576 450 807 555">Risk Management Committee</td> <td data-bbox="807 450 967 555">Member</td> </tr> <tr> <td data-bbox="576 555 807 660">Stakeholder's Relationship Committee</td> <td data-bbox="807 555 967 660">Member</td> </tr> <tr> <td data-bbox="576 660 807 728">Asset Liability Committee</td> <td data-bbox="807 660 967 728">Chairman</td> </tr> <tr> <td data-bbox="576 728 807 795">Credit Committee</td> <td data-bbox="807 728 967 795">Member</td> </tr> <tr> <td data-bbox="576 795 807 864">Banking Committee</td> <td data-bbox="807 795 967 864">Member</td> </tr> </table>	IT Strategy Committee	Member	Risk Management Committee	Member	Stakeholder's Relationship Committee	Member	Asset Liability Committee	Chairman	Credit Committee	Member	Banking Committee	Member	
IT Strategy Committee	Member														
Risk Management Committee	Member														
Stakeholder's Relationship Committee	Member														
Asset Liability Committee	Chairman														
Credit Committee	Member														
Banking Committee	Member														
Details of last remuneration drawn	Rs. 585.34 Lakhs (as on March 31, 2023)		Rs. 75,000 for attending 1 meeting of Board of Directors since appointment												
Remuneration sought to be paid	Terms and conditions of re-appointment are set out in the Explanatory Statement annexed to this Notice.		Sitting Fees and Commission (if any)												
Terms and conditions of appointment	Proposed remuneration is set out in the Explanatory Statement annexed to this Notice.		Appointment as an Independent Director of the Company for a term of 5(five) consecutive years commencing from October 25, 2023 till October 24, 2028. Terms and conditions of appointment shall be as per draft letter for the appointment made available for inspection.												
No. of Board Meetings attended during the year (2023-24)	3 out of 3		1 Board Meeting was held post the effective date of appointment, which was attended by Mr. Ramanathan Gurumurthy.												

## ROUTE MAP FOR THE VENUE OF THE EXTRAORDINARY GENERAL MEETING





**Arka Fincap Limited**

Registered and Corporate Office:

2504, 2505, 2506, One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Phone: +91 22 4047 1000

Email: [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com)

CIN: U65993MH2018PLC308329

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

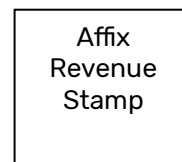
CIN	:	U65993MH2018PLC308329		
Name of the Company	:	Arka Fincap Limited		
Registered Office	:	2504, 2505, 2506, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai 400013		
Name of the Member(s)	:			
Registered Address	:			
E-mail Id	:			
Folio No. / Client ID	:		DP ID	
I/We being the member(s) of _____ shares of the above named Company, hereby appoint:				
1	Name			
	Address			
	E-mail Id		Signature	
	Or failing him			
2	Name			
	Address			
	E-mail ID		Signature	
	Or failing him			
3	Name			
	Address		Signature	
	E-mail ID			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10<sup>th</sup> Extraordinary General Meeting of the Company to be held on Tuesday, January 23, 2024 at 11.30 a.m. at Registered Office of the Company at 2504, 2505, 2506, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai 400013 and at any adjournment thereof in respect of such resolutions as are indicted below:

Sr. No	RESOLUTIONS
1.	Re- appointment of Mr. Vimal Bhandari (DIN: 00001318) as Executive Vice Chairman and CEO designated as Whole-Time Director
2.	Appointment of Mr. Ramanathan Gurumurthy (DIN: 10366010) as an Independent Director
3.	Approval for selling/assigning/securitisation of the assets including loan receivables/book, book debts and investments of the Company

Signed this \_\_\_\_\_, 2024

Signature of the Shareholder: \_\_\_\_\_





Signature of Proxy holder(s) : \_\_\_\_\_

Notes:

- (1) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated



**Arka Fincap Limited**

Registered and Corporate Office:

2504, 2505, 2506, One Lodha Place, Lodha World Towers,

Senapati Bapat Marg, Lower Parel, Mumbai 400013

Phone: +91 22 4047 1000

Email: [arkasecretarialandcompliance@arkafincap.com](mailto:arkasecretarialandcompliance@arkafincap.com)

CIN: U65993MH2018PLC308329

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**Attendance Slip**

*(To be handed over at the entrance of the venue)*

Registered Folio No. / DP ID /Client ID	:	
Name of the Member(s)	:	
Address	:	
Joint Holder 1	:	
Joint Holder 2	:	

I hereby record my presence at the 10<sup>th</sup> Extraordinary General Meeting of Arka Fincap Limited at Registered Office of the Company at 2504, 2505, 2506, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai 400013 on Tuesday, January 23, 2024 at 11.30 a.m.

Full name of the Member (in BLOCK LETTERS) \_\_\_\_\_

Full name of the Proxy (in BLOCK LETTERS) \_\_\_\_\_

Member's/ Proxy's Signature \_\_\_\_\_