

Arka Fincap Limited
Public Disclosure on Liquidity Risk

Background:

Disclosure on liquidity risk for Arka Fincap Limited ("Arka Fincap" / "the Company") as at June 30, 2026 in terms of the Liquidity Risk Management Framework issued by the Reserve Bank of India ("RBI"):

(i) Funding Concentration based on significant counterparty

Sr. No.	No. of Significant Counterparties	Amount (₹ Lakhs)	% of Total Deposits	% of Total Liabilities
1.	22	4,23,399.94	-	81.42%

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC- NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus.

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits): N.A., since Arka Fincap is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India and does not accept public deposits.

(iii) Top 10 borrowings

Amount (₹ Lakhs)	% of Total Borrowings
3,25,142.18	64.60%

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	Amount (₹ Lakhs)	% of Total Liabilities
1	Commercial Papers	16,950.99	3.26%
2	NCDs	1,07,049.74	20.59%
3	Term Loans	3,68,266.00	70.82%
4	Cash Credit ("CC")	-	
5	Working Capital Demand Loan ("WCDL")	-	
6	PTCs	11,057.28	2.13%
	Total	5,03,324.01	96.79%

Arka Fincap Limited

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

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

Note:

- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus.
- Total Liabilities have been considered, as reflected in Financials.

(v) Stock Ratios:

Sr. No.	Particulars	as a % of Total Public Funds	as a % of Total Liabilities	as a % of Total Assets
1	Commercial Papers	3.40%	3.26%	2.58%
2	Non-Convertible Debentures (original maturity of less than one year)	NIL	NIL	NIL
3	Other Short-Term Liabilities	40.51%	39.21%	31.07%

Note:

- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus.

(vi) Institutional set-up for Liquidity Risk Management:

The Board of Directors ("the Board") of the Company has an overall responsibility for the oversight and management of all the risks, arising in the course of the Company's business operations, including liquidity risk. The Board has approved the governance framework, policies, strategy and risk limits for effective liquidity risk management.

The Board has constituted the Asset Liability Committee ("ALCO") inter-alia to manage liquidity risks faced by the Company. Further, the Board has constituted the Risk Management Committee ("RMC") for the effective supervision, evaluation, monitoring and review of various aspects and types of risks.

The Company has adopted and put in place Liquidity Risk Management Framework, Operational Risk Management Framework and Enterprise Risk Management Framework to identify, monitor, report and manage risks across all business verticals and support functions. Further, the RMC, Audit Committee and the Board periodically monitors various parameters of liquidity risk against the approved risk appetite. The Company's liquidity and funding approach is documented through its various plans and policies which to ensures that funding is available to meet all market related stress. The Company periodically reviews and strengthens its liquidity management framework to align with evolving regulatory requirements, changes in the economic environment, and business needs.

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Liquidity Coverage Ratio Disclosure for Q1 FY 2026 – 2027

Qualitative disclosure RBI vide circular dated November 4, 2019 has made it mandatory for NBFCs to implement Liquidity Coverage Ratio (LCR) with effect from December 1, 2020. Accordingly, the Board and ALCO has approved the Liquidity risk management policy including LCR policy. The overall Liquidity risk management of AFL is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodical review. The LCR is calculated by dividing a ARKA's stock of HQLA by its total stressed net cash outflows over next 30-day period.

RBI has mandated a minimum LCR of 100% from 1st December 2024 and AFL 's LCR stood at 180.47 for the quarter ended June 30, 2026.

Liquidity Coverage ratio (April-June 2026)						
No	Particulars	April	May	June	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets (HQLA)						
(i)	Investment in Govt Securities	168	242	301	237	237
(ii)	Cash and Bank Balances	32	27	16	25	25
1	Total HQLA	200	269	317	262	262
CASH OUTFLOWS						
2	Deposits (for deposit taking companies)	-	-	-	-	-
3	Unsecured wholesale funding	61	52	-	33	38
4	Secured wholesale funding	82	185	338	175	202
5	Additional requirements, of which	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-
6	Other contractual funding obligations	327	294	288	264	303
7	Other contingent funding obligations	34	41	41	34	39
8	TOTAL CASH OUTFLOWS	504	571	668	505	581
CASH INFLOWS						
9	Secured Lending	-	-	-	-	-
10	Inflows from fully performing exposures	128	137	156	187	140
11	Other cash inflows	593	449	372	628	471
12	TOTAL CASH INFLOWS	720	586	527	815	611
						Total Adjusted Value
13	TOTAL HQLA					262
14	TOTAL NET CASH OUTFLOWS					145
15	LIQUIDITY COVERAGE RATIO (%)					180.47%

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