HEAD OFFICE Suites 102, 'Orchard' Dr. Pai Marg, Baner, Pune 411045 Tel(O): 020 – 27290771/1772/1773 Web: www.pgbhagwatca.com

Limited Review Report for unaudited quarterly and year to date results pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of Arka Fincap Limited (Formerly Kirloskar Capital Limited) One World Center, Tower 2B, Floor 12B, Senapati Bapat Marg, Mumbai 400013, India.

Introduction

We have reviewed the accompanying Statement of unaudited financial results of Arka Fincap Limited (formerly Kirloskar Capital Limited) ("the Company") for the quarter ended 30June 2022 and year-to-date results for the period from 01 April 2022 to 30 June 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

P G BHAGWAT LLP Chartered Accountants LLPIN: AAT-9949

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

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

For P G BHAGWAT LLP,

Chartered Accountants, Firm's Registration Number : 101118W/W100682

DEO 518206674-0818-66421 62.8175824085878608 NACHIKET RATNAKAR

Nachiket Deo Partner Membership No. 117695 UDIN: 22117695ANLUAW4597 Place: Pune Date: 22nd July 2022

Arka Fincap Limited

Regd. Office: One World Center, 1202B, Tower 2B, Floor 12B, Jupiter Mills Compound, Senapati Bapat Marg Mumbai- 400013, India Tel: +91 22 40471000 CIN: U65993MH2018PLC308329 Website: www.arkafincap.com E-mail: arkainfo@arkafincap.com STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

_		Quarter ended			(₹ in Lakhs) Year Ended	
Sr. No.	Particulars	30 June 2022	31 March 2022	30 June 2021	31 March 2022	
		Unaudited	Audited	Unaudited	Audited	
1	Revenue from operations	onducted	Hunten	onaudited	FRANCES	
-	(a) Interest income	7,431.89	6,251.62	3,523.00	19,210.3	
	(b) Fees and commission income	224.50	75.00	227.90	503.4	
	(c) Net gain on sale of investments	83.44	105.08	15.17	380.2	
	(d) Net gain on fair value changes of investments	40.64	(0.49)	9.64	78.7	
-	Total revenue from operations	7,780.47	6,431.21	3,775.71	20,172.7	
2	Other income	6.71	7.08	25.02	136.6	
3	Total income (1+2)	7,787.18	6,438.29	3,800.73	20,309.4	
5		7,707.10	0,430.23	5,000.75	20,509.4	
4	Expenses					
	(a) Finance costs	3,831.92	3,113.34	1,608.19	9,173.7	
	(b) Impairment on financial instruments	145.28	180.60	112.32	557.6	
	(c) Employee benefit expenses	1,275.12	1,829.49	924.49	4,676.2	
	(d) Depreciation and amortisation expenses	95.39	91.76	89.87	365.3	
	(e) Other expenses	367.33	392.92	214.59	1,127.8	
_	Total expenses	5,715.04	5,608.11	2,949.46	15,900.7	
5	Profit before tax (3-4)	2,072.14	830.18	851.27	4,408.6	
6	Tax expense					
	(a) Current tax	636.55	347.93	331.63	1,535.1	
	(b) Deferred tax	(102.47)	(140.19)	(106.91)	(378.1	
	Total tax expenses	534.08	207.74	224.72	1,156.9	
7	Profit after tax (5-6)	1,538.06	622.44	626.55	3,251.6	
8	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit and loss		0.16	-	0.1	
	(b) Items that will be reclassified to profit and loss	-	-			
	Total other comprehensive income, net of tax		0.16		0.1	
9	Total comprehensive income (7+8)	1,538.06	622.60	626.55	3,251.8	
10	Paid-up equity share capital (Face value of ₹ 10/- each)	84,235.56	75,985.58	68,542.22	75,985.	
11	Other equity	10,873.58	7,696.92	4,451.10	7,696.9	
12	P					
12	Earning per share (In ₹)					
	(a) Basic (Not Annualised) (b) Diluted (Not Annualised)	0.19	0.08	0.09	0.4	
	(b) bildred (not Annualised)	0.19	0.08	0.09	0.4	

- 1 The Company is a Systemically Important Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India.
- 2 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.
- 3 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/CIR/2021/000000637 dated 5 October 2021 applicable to listed Companies whose non-convertible securities are listed on recognised stock exchanges.
- 4 The quarterly financial results for the period ended 31 March 2022 are the balancing figures between the audited figures in respect of the year ended 31 March 2022 and the published year-to-date figures up to 31 December 2021, being the date of the end of the third quarter of the previous financial year, which were subjected to limited review as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 During the current quarter ended 30 June 2022, the Company has issued and allotted 8,24,99,765 equity shares of face value of ₹ 10 per equity share at a premium of ₹ 2 per equity share amounting to ₹ 98.99 Crores, on rights basis.
- 6 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.
- 7 During the quarter ended 30 June 2022, the Company has issued and allotted 250 senior, secured, redeemable, rated, listed, principal protected, market linked, non-convertible debentures ("MLDs") of face value of Rs 10 Lakh per debenture aggregating to Rs 25 crores on private placement basis. These MLDs are rated as CRISIL PPMLD AA-r/Stable.
- 8 The Non-Convertible Debentures of the Company as on 30 June 2022 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 Disclosure Documents/Term Sheets read with Debenture Trust Deeds executed for each of the tranche/series has been maintained by the Company.
- 9 Consequent to the outbreak of COVID-19 pandemic, the Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results including recovering the carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has at the date of approval of financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. However, the extent to which the COVID-19 pandemic may continue to impact the Company's performance, will depend on ongoing and future developments, which are uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.
- 10 Details of loans transferred / acquired during the quarter ended June 30, 2022 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:

Aggregrate amount of loans acquired (Rs.in lakh)	2,467.08
Weighted average residual maturity (in years)	6.02
Weighted average holding period by originator (in years)	0.83
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	58%
Rating-wise distribution of loans	Unrated

(ii) During the quarter ended June 30, 2022, the company has not transferred loans not in default.
(iii) During the quarter ended June 30, 2022, the company has not transferred / acquired loans in default.

- 11 The above financial results of the Company for the quarter and year ended 30 June 2022 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 22 July 2022.
- 12 Figures for the previous period/year have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.
- 13 The Disclosures as required under Regulation 52(4) and Regulation 54 of SEBI LODR have been given in Annexure A.

For and on behalf of the Board of Directors of Arka Fincap Limited

Place: Mumbai Date: 22 July 2022 vimal Digitally signed by vimal bhandari Date: 2022.07.22 17:39:59 +05'30'

Vimal Bhandari Executive Vice Chairman and CEO DIN: 00001318

> DEO DACHIKET NACHIKET RATNAKAR RATNAKAR

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").

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

Notes:

(1) Debt = Debt Securities + Borrowings (other than debt securities).

(2) As per the proviso to Regulation 52(4) of SEBI LODR, the requirement of disclosing debt service coverage ratio and interest service coverage ratio is not applicable to the Company being a Non-Banking Financial Company registered with the Reserve Bank of India.

(3) The Company being a Non-Banking Financial Company is not required to create Debenture Redemption Reserves in terms of Rule 18 of Companies (Share Capital and Debenture) Rules, 2014.

(4) Net worth/ Equity = Equity Share Capital + Other Equity – Deferred Tax Assets – Intangible assets

(5) Current ratio = Current assets / Current liabilities.

(6) (a) Long term debt = debt repayable after 12 months. (b) working capital = current assets - current liability

(7) Current Liability Ratio = Current Liabilities / Total Liabilities.

(8) Total debt = Total Liabilities

(9) The Company is not a manufacturing and trading Company hence, Debtors turnover ratio, Inventory turnover ratio, Operating margin, Net profit margin are not applicable to it.