



NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Sixth Annual General Meeting** of the Members of Arka Fincap Limited is scheduled to be held on **Tuesday, June 25, 2024 at 03.00 p.m.** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

- 1) **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 along with the report(s) of the Board of Directors and the Auditors thereon.**
- 2) **To appoint a Director in place of Ms. Gauri Kirloskar (DIN: 03366274), who retires by rotation and, being eligible offers herself for re-appointment.**
- 3) **To appoint Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the (i) provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules framed under the (the “**Rules**”) (including any statutory modifications or re-enactments thereof, for the time being in force); (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”) (including any statutory modifications or re-enactments thereof, for the time being in force); (iii) Guidelines for appointment of Statutory Auditors issued by the Reserve Bank of India (“**RBI**”) vide Circular Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, including any statutory modifications and/ or re-enactments thereof, for the time being in force (“**RBI Circular**”); (iv) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI (“**RBI Directions**”) (including any statutory modifications or re-enactments thereof, for the time being in force) read with the applicable circulars, guidelines and notification issued by RBI; (v) Policy on Appointment of Auditors of the Company; and (vi) other applicable laws, acts, rules, regulations, guidelines and notifications and based on the recommendation of the Audit Committee and the Board of Directors of the Company, Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) be and are hereby appointed as Statutory Auditors of the Company to hold office for a continuous period of 3 (three) years commencing from the conclusion of this 6th Annual General Meeting till the conclusion of 9th Annual General Meeting of the Company to be held in the year 2027.”

“**RESOLVED FURTHER THAT** pursuant to the (i) provisions of Section 142 and other applicable provisions, if any, of the Act read with the Rules framed thereunder; (ii) applicable regulations of SEBI LODR; (iii) RBI Directions read with RBI Circular; and (iv) other applicable laws, acts, rules, regulations, guidelines and notifications, Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) be paid such remuneration as Statutory Auditors of the Company as may be determined by the Board of Directors of the Company (hereinafter to be referred to as “**Board**”) and shall deem to include Audit Committee and/or such other persons/officers authorised by the Board of Directors/Audit Committee).”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute

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

A **kirloskar** Group Company

discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering and executing the terms of appointment including any contracts or documents in this regard and/or to alter and vary the terms and conditions of appointment including remuneration 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.”

SPECIAL BUSINESS:

4) Issue of Non-Convertible Debentures on private placement basis:

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at their 5th Annual General Meeting held on June 16, 2023 in this regard and pursuant to the (i) provisions of Sections 42, 71, 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“**the Act**”); (ii) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 read with the circulars, notifications and guidelines issued by Reserve Bank of India, if applicable (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“**RBI Master Directions**”); (iii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (“**SEBI NCS Regulations**”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR**”) read with Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper and other circulars, guidelines and notifications issued by Securities and Exchange Board of India (“**SEBI**”), as applicable; (iv) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications; and (v) provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such other approval(s)/consent(s)/permission(s)/sanction(s), 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 including Asset Liability Committee or any other person/directors/officers, 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 create/invite/issue/offer/allot up to such number of non-convertible debentures (“**NCDs**”) including but not limited to subordinated/perpetual debentures/structured debentures/market linked debentures on private placement basis in such form, manner, in one or more series or tranches and upon such terms and conditions as the Board may deem fit and proper, such that the aggregate principal amount of NCDs to be issued during a period of 1 (one) year commencing from the date of passing of this Special Resolution does not exceed Rs. 2,000 crore (Rupees Two Thousand Crore only) within the overall borrowing limits approved by the Members of the Company.”

“**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, to delegate all or any of their powers herein conferred to any Committee and/or person/directors/officers to give effect to this resolution and to settle all or any 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.”

5) Increase in Borrowing Limits of the Company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at their 5th Annual General Meeting held on June 16, 2023 in this regard and pursuant to the (i) provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 read with applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“the Act”**); (ii) provisions of the Memorandum of Association and the Articles of Association of the Company; (iii) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“RBI Master Directions”**) read with the circulars, guidelines and notifications, as applicable, issued by Reserve Bank of India; (iv) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications; and subject to such approval(s)/consent(s)/permission(s)/sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (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 including Asset Liability Committee or any other persons/directors/officers, 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 borrow any sum or sums of monies, from time to time, whether in Indian rupees or in foreign currency, in any form or manner and in one or more tranches, either by way of fund based or non-fund based assistance including but not limited to by way of term loan/guarantees/working capital facilities/overdraft facilities/lines of credit/inter corporate deposits/credit facilities/external commercial borrowings/financial assistance/other permissible form of fund/non-fund based facilities from banks/financial institutions/entities/persons and/or any other bankers/lenders and/or by way of issue of convertible or non-convertible instruments or securities/debentures or commercial papers or bonds or foreign currency convertible bonds and/or in any other form, to eligible person(s) /entities and/or any other form of borrowing(s) (**“Facility/Facilities”**), upon such terms and conditions including interest, repayment, tenor, security or otherwise, as the Board may determine and think fit, such that the money or monies to be borrowed, together with the monies already borrowed by the Company may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, however provided that the monies already borrowed and outstanding shall not exceed, at any point in time, a sum equivalent to Rs. 10,000 crore (Rupees Ten Thousand Crore only).”

“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, to delegate all or any of their powers herein conferred to any Committee and/or person/directors/ officers, to give effect to this resolution and to settle all or any 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.”

6) Mortgage or Security creation for borrowings of the Company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company at their 5th Annual General Meeting held on June 16, 2023 in this regard and pursuant to the (i) provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“the Act”**); (ii) provisions of the Memorandum of Association and the Articles of Association of the Company; (iii) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“RBI Master Directions”**) read with the circulars, guidelines and notifications, as applicable, issued by Reserve Bank of India; (iv) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications; and subject to such

approval(s)/consent(s)/permission(s)/sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (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 including Asset Liability Committee or any other persons/directors/officers, 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 create mortgage(s) and/or charge(s) and/or hypothecation and/or security and/or any other form of security creation, in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the assets/properties including undertaking of the Company, immovable and movable, both present and future and including the Company's interest as mortgagee in various properties belonging to the borrowers of the Company and/or otherwise and including floating charge/assignment or hypothecation over the Company's book debt/s, receivables, actionable claims, outstanding loans and advances and other assets/properties of the Company and/or including mortgages or charges over the specific security, in favour of any bank(s) and/or financial institution(s) and/or any other lender(s) and/or their agent(s) and/or their trustee(s) acting on behalf of such bank(s) and/or financial institutions and/or any other lender(s), for the purpose of securing the borrowing(s) by the Company in terms of Section 180(1)(c) of the Act including borrowing through issue of various instruments including but not limited to issue of bonds/foreign currency convertible bonds/debentures including fully or partly convertible debentures/non-convertible debentures and subject to the limits approved by the Shareholders of the Company in terms of Section 180(1)(c) of the Act from time to time, presently availed and/or to be hereinafter availed by the Company, together with interest, at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the bank(s) and/or financial institution(s) and/or any other lender(s) or their agent(s) and/or their trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including all other monies payable by the Company in respect of borrowings by the Company under the agreement/agreement(s) entered into and/or to be entered into by the Company in respect of the borrowings by the Company.”

“**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, to delegate all or any of their powers herein conferred to any Committee and/or person/directors/ officers, to give effect to this resolution and to settle all or any 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.”

7) Re-Appointment of Mr. Vijay Chugh as an Independent Director for the second term of 5 (five) consecutive years

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the (i) provisions of the Memorandum of Association and Articles of Association of the Company; (ii) provisions of Section 178, Section 149 and Section 152 of the Companies Act, 2013 read with Schedule IV, Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“**the Act**”); (iii) applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“**SEBI LODR**”) read with applicable circulars, guidelines and notifications issued by Securities and Exchange Board of India (“**SEBI**”), if applicable; (iv) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 read with the circulars, guidelines and notifications issued by the Reserve Bank of India (“**RBI Master Directions**”); (v) Policy on Selection/Fit and Proper Person Criteria; (vi) various declarations/disclosures/confirmations obtained from Mr. Vijay Chugh (DIN: 07112794) including confirmation on meeting the fit & proper criteria and criteria for independent directors; (vii) basis the recommendation of Nomination and Remuneration Committee and the Board of Directors; (viii) such other acts, rules, regulations, guidelines and laws as may be applicable in this regards, Mr. Vijay Chugh (DIN: 07112794), who

is eligible for re- 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 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-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 April 24, 2024 till April 23, 2029.”

“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/or any persons/directors/officers 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 of the Committee/directors/persons/officers 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.”

8) Re-Appointment of Mr. Sivanandhan Dhanushkodi as an Independent Director for the second term of 5 (five) consecutive years

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the (i) provisions of the Memorandum of Association and Articles of Association of the Company; (ii) provisions of Section 178, Section 149 and Section 152 of the Companies Act, 2013 read with Schedule IV, Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“the Act”**); (iii) applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“SEBI LODR”**) read with applicable circulars, guidelines and notifications issued by Securities and Exchange Board of India (**“SEBI”**), if applicable; (iv) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 read with the circulars, guidelines and notifications issued by the Reserve Bank of India (**“RBI Master Directions”**); (v) Policy on Selection/Fit and Proper Person Criteria; (vi) various declarations/disclosures/confirmations obtained from Mr. Sivanandhan Dhanushkodi (DIN: 03607203) and subject to fresh approval of the Nomination and Remuneration Committee, the Board of Directors and the shareholders of the Company to continue as an Independent Director beyond the age of 75 years, Mr. Sivanandhan Dhanushkodi (DIN: 03607203), who is eligible for re- 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 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-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 April 24, 2024 till April 23, 2029.”

“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/or any persons/directors/officers 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 of the Committee/directors/persons/officers 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.”



9) Payment of Commission to Non-Executive Directors of the Company for the financial year 2023-24

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to (i) the provisions of Sections 149, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“the Act”**); (ii) the applicable provisions of the Articles of Association of the Company; (iii) Regulation 17(6) and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI LODR”**); and (iv) all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications, and, subject to other consents/approvals/permissions as may be required, consent of the Members of the Company be and is hereby accorded for the payment and distribution of commission for the financial year 2023-2024, not exceeding in aggregate, 1% of the net profits of the Company calculated in accordance with Section 198 of the Act, to the Non-Executive Directors of the Company in such quantum, proportion and manner as may be determined by the Board of Directors of the Company (herein after referred as **“Board”** which term shall deem to include any committee constituted / may be constituted by the Board of Directors of the Company or any other persons/directors/officers, 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) may from time to time decide.”

“RESOLVED FURTHER THAT that the commission payable to the Non-Executive Directors shall be in addition to the sitting fees and/or other reimbursement of expenses, if any payable to each of them for participation in the Board, Committee and/or other meetings.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized 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 persons/directors/officers 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
Sd/-
Niki Mehta
Company Secretary
Membership No. A47286**

Registered Office:

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

Date : June 24, 2024

Place : Mumbai

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“**the Act**”), the Secretarial Standards on General Meetings (“**SS-2**”) issued by the Institute of Company Secretaries of India and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business as set out in the Notice convening 6th Annual General Meeting of the Company (“**AGM Notice**”) is annexed hereto and forms part of the AGM Notice.
2. The Ministry of Corporate Affairs (“**MCA**”) has vide its Circular No. 14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 (collectively referred to as “**MCA Circulars**”), permitted holding of Annual General Meeting (“**AGM**”) through Video Conferencing (“**VC**”)/Other Audio Visual Means (“**OAVM**”) without the physical presence of the members at a common venue. In compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall deem to be the venue for the AGM.
3. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum for the AGM under Section 103 of the Act.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in the AGM Notice.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
6. Pursuant to Section 101 of the Act, consent to convene the meeting at shorter notice has been obtained from the Members of the Company.
7. In pursuance of Section 113 of the Act, Corporate members intending to appoint their authorized representatives to attend and to vote at the AGM 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@arkaholdings.com
8. The following documents / registers will be available for inspection by the Members of the Company during business hours up to the date of the AGM:
 - a) The Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or arrangement in which Directors are interested; and
 - b) All the documents referred to in the AGM Notice and the Explanatory Statement annexed to the AGM Notice.Members who wish to inspect any of the abovementioned documents may write to the Company Secretary & Compliance Officer at arkasecretarialandcompliance@arkaholdings.com.
9. In case of a poll on the resolution set out in the AGM Notice, members are requested to convey their vote by e-mail at arkasecretarialandcompliance@arkaholdings.com.
10. In compliance with the provisions of the Act and MCA Circulars, the AGM shall be conducted through Video Conferencing via the Google Meet platform and the members who need assistance in connection with using the said technology before or during the AGM, may reach out to the Company at arkasecretarialandcompliance@arkaholdings.com.
11. The Members are requested to click on the link sent to their registered E-mail ID for participating in the AGM. The facility for joining the AGM through VC will open 15 minutes before the scheduled time of the commencement of the AGM and will be kept open till the expiry of 15 minutes after the scheduled time of AGM.
12. The relevant details as required under SS-2, in respect of the directors seeking re-appointment and in respect of directors for whom approval of the remuneration is proposed in the AGM Notice is given in the annexure forming part of this Notice.

13. In compliance with the MCA Circulars, the AGM Notice along with the Annual Report for the financial year 2023-24 are being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participants/Registrar and Transfer Agent - Link Intime India Private Limited (“Link Intime”). Members are requested to note that Annual Report is available on the website of the Company at <https://www.arkaholdings.com/arka-fincap/investor-information#arkaInvestorAnnualReport> and the AGM Notice at <https://www.arkaholdings.com/arka-fincap/investor-information#arkaInvestorAgmEgmHolders> and on the website of BSE Limited at www.bseindia.com.
14. Members seeking any information with regard to the audited financial statements or any matter to be placed at the AGM are requested to submit their questions in advance from their registered email address mentioning their name, DP ID and Client ID, PAN, mobile number via email at arkasecretarialandcompliance@arkaholdings.com. The same will be replied by the Company suitably.

EXPLANATORY STATEMENT

**ANNEXURE TO THE NOTICE CONVENING 6TH ANNUAL GENERAL MEETING (“AGM NOTICE”)
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013,
THE 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. 3:

The Board of Directors (“the Board”), pursuant to RBI Circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (“**RBI Circular**”), on recommendation of the Audit Committee, at their meeting held on October 20, 2021 and the shareholders of the Company at their Extraordinary General Meeting held on November 19, 2021 approved appointment of P G BHAGWAT LLP, Chartered Accountants (“P G BHAGWAT”) bearing Firm Registration Number: 101118W/W100682 as Statutory Auditors of the Company to hold office for a period of three years till the conclusion of Annual General Meeting of the Company for adoption of audited financial statements of the Company for FY 2023-24 the said appointment of P G BHAGWAT was made to fill in the casual vacancy caused by the resignation of B S R & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 101248W /W-100022) as the Statutory Auditors in view of the RBI Circular.

The term of P G BHAGWAT as Statutory Auditors will expire on the date of the conclusion of the 6th Annual General Meeting of the Company.

The evaluation was carried out by the Management considering various parameters including but not limited to expertise, eligibility, relevant experience, qualifications, reputation, audit experience, clientele, technical knowledge, size of the firm and such other factors as the Management deemed fit for appointment of statutory auditors.

Accordingly, pursuant to RBI Circular and the evaluation carried out by the Management, the Board of Directors of the Company at their meeting held on April 30, 2024, on recommendation of the Audit Committee, considered and subject to the approval of the shareholders of the Company approved the appointment of Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as Statutory Auditors of the Company to hold office for a continuous period of 3 (three) years commencing from the date of conclusion of the this Annual General Meeting till the conclusion of the 9th Annual General Meeting to be held in the year 2027. Further, its is proposed to authorise Board Of Directors/Audit Committee to approve the terms of appointment including remuneration of Singhi & Co., Chartered Accountants as Statutory Auditors of the Company.

Singhi & Co., Chartered Accountants have provided its consent to be appointed as Statutory Auditors of the Company. The following confirmations have also been received from Singhi & Co., Chartered Accountants in connection with their proposed appointment as Statutory Auditors:

- Eligibility for appointment as Statutory Auditors of the Company under Section 139(1) of the Companies Act, 2013 (“the Act”) and meeting the criteria specified in Section 141 of the Act.
- Not disqualified from being appointed as Statutory Auditors under the Act or the Chartered Accountants Act, 1949 and the rules and regulations made thereunder
- Singhi & Co., Chartered Accountants and its network firms are neither acting as statutory auditors nor providing any other services to the Company.
- Not debarred by any by any government agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or other financial regulators.
- No proceedings against any partner of the audit firm pending with respect to professional matters of conduct.

- Proposed appointment as per the term provided under the Act and is within the limits laid down by or under the authority of the Act.
- Not debarred from taking up audit assignments by any regulator/Government agency.
- No disciplinary proceedings against the firm by any financial regulator/government agency during the last 3 years.
- Meeting the eligibility criteria/norms prescribed by RBI regarding appointment of statutory auditors.

Singhi & Co., Chartered Accountants have also confirmed that they are not aware of any conflicts of interest which would prevent them from undertaking the engagement of statutory auditor and that they are independent of the management.

Brief Profile of Singhi & Co., Chartered Accountants is as given below:

*The team at Singhi & Co, aspire to create a legacy of values through high quality services which exceed client expectation and transparency of financial reporting. With 80+ year professional services history has positioned Singhi & Co., to service large clients having complex businesses, even across borders. **Singhi & Co., have been Central Statutory Auditors for large PSU Banks like State Bank of India, Bank of Baroda, Indian Bank, Private Sector / Foreign Banks like Bandhan Bank, Credit Suisse AG, Mumbai and NBFCs like Aditya Birla Finance Limited, Axis Finance Limited, ICICI HFC, PNB HFC, 360 One, Tata Industries etc. Presently, they are also serving as Concurrent Auditor of the EXIM Bank.***

Singhi & Co. is the Indian member of Moore Global, one of the world's leading networks of independently owned and managed accounting and business advisory firms, committed to provide exceptional client service. They are also registered with Public Company Accounting Oversight Boards ('PCOAB'), USA and are a member of the Forum of Firms for Audit Quality.

For the last eight decades, Singhi & Co. has been consistently providing high quality services in the fields of –

- Assurance
- Governance
- Risk and Internal Audit
- Corporate Finance
- Tax
- Outsourcing and Management Consulting
- Valuation
- Insolvency and Bankruptcy Code
- Forensics and Cross Border Advisory

Audit Approach:

The audit approach is fully compliant with International Standards of Auditing and ISQC1. The methodology is updated at least annually to reflect evolving regulatory standards and quality improvements derived from our internal quality review processes.

Singhi & Co audit starts with a broad understanding of how an entity, the industry and the marketplace operate. They examine management's strategic intent, objectives, sources of competitive advantage and major value-creating activities. They also look at how management run the business and manage risk on a day-to-day basis. This entity-wide view of risk ("Risk based approach") enables them to identify conditions within an organization, that could potentially pose audit risks and endanger the accuracy and integrity of financial reports.

These areas of audit risk serve as the foundation for planning process which then guide all subsequent audit execution activities. Those audit activities begin with determining how well AFL's control structures mitigate risk, through a test of underlying information and transactions where necessary.



Therefore, approval of the members is being sought for their appointment as Statutory Auditors for a period of 3 years commencing from the date of conclusion of the ensuing Annual General till the conclusion of the 9th Annual General Meeting to be held in the year 2027.

The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 3 of this Notice, for the approval of the Members.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution, set forth at Item No. 3 of the Notice.

Item No. 4:

The Company, in the ordinary course of its business, is required to borrow funds from time to time, including by way of term loans from banks and/or financial institutions, issue of debentures (secured or unsecured) and/or other debt instruments and/or issue of commercial papers.

In terms of Section 42 of the Companies Act, 2013 (“**the Act**”) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make an offer or invitation to subscribe to securities (including NCDs) through private placement unless the proposal has been previously approved by the members of the company, by way of special resolution. Further, in case of offer or invitation for NCDs, where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in Section 180(1)(c) of the Act, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during a year.

Members at their 5th Annual General Meeting held on June 16, 2023, had accorded their approval to create/invite/offer/issue/allot Non-Convertible Debentures (“**NCDs**”) such that the aggregate principal amount of NCDs to be issued on private placement basis during a period of 1 (one) year commencing from the date of passing of the Special Resolution on June 16, 2023 does not exceed Rs. 2,000 crore (Rupees Two Thousand Crore only) within the overall borrowing limits approved by the Members of the Company, in one or more series or tranches.

Members are requested to note that the validity of the approval of the shareholders for issue of NCDs expired on June 15, 2024. Currently, it is not proposed to increase the limit for issuance of NCDs but renew the approval accorded by the shareholders in the previous Annual General Meeting for issuance of NCDs on private placement basis.

Accordingly, in order to enable the Company to borrow funds by way of issuance of NCDs on private placement basis, the Board of Directors of the Company at its meeting held on April 30, 2024, subject to the approval of the shareholders of the Company, accorded its approval to create/invite/offer/issue/allot NCDs including but not limited to subordinated/perpetual debentures/structured debentures/market linked debentures on private placement basis such that the aggregate principal amount of NCDs to be issued during a period of 1 (one) year commencing from the date of passing of the Special Resolution by the shareholders of the Company in the 6th Annual General Meeting does not exceed Rs. 2,000 crore (Rupees Two Thousand Crore only) within the overall borrowing limits approved by the shareholders of the Company.

Further, the Board of Directors at their aforesaid meeting have authorised Asset Liability Committee to undertake all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, in respect of issuance of NCDs under private placement including but not limited to determining the terms and conditions of the NCDs to be issued, number of NCDs to be issued, issue price, issue size, coupon, tenor, objects of the issue, appointment of intermediaries, etc. and to authorize any director or directors or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in the best interest of the Company in connection with the issue of NCDs.

The Company seeks approval of the Members of the Company by way of special resolution in terms of Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to authorize the Board of Directors including any committee constituted/may be constituted by the Board of Directors of the Company including Asset Liability Committee or any other persons/directors/officers, for the time being exercising the powers conferred on the Board of Directors and as may be authorised by the Board of Directors/Committee, to borrow funds by way of issuance of NCDs for an amount upto Rs. 2000 crore, within the overall borrowing limits of the Company as approved by the Members of the Company in terms of Section 180(1)(c) of the Act, during a period of 1 (one) year commencing from the date of passing of the Special Resolution set out at Item No. 4 of the AGM Notice.

The Board of Directors recommends the resolution set out at Item No. 4 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or 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.4 of the AGM Notice, except to the extent of the NCDs that may be subscribed by any Directors or Key Managerial Personnel of the Company or their relatives or any entity in which any of the Directors or Key Managerial Personnel of the Company or their relatives may be concerned or interested in any capacity.

Item No. 5 & Item No. 6:

The Company in its ordinary course of business has been raising funds either by way of term loan/guarantees/working capital facilities/overdraft facilities/lines of credit/inter corporate deposits/credit facilities from banks/financial institutions/entities/persons and/or any other bankers/lenders or by issuance of debentures and/or commercial papers or by any other permissible form of borrowing.

Members are requested to note that in terms of Section 180(1)(c) and 180(1)(a), respectively, of the Companies Act, 2013 read with the applicable rules framed thereunder (“the Act”), the Board of Directors of a Company shall not:

- borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, or
- sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings

without the consent of the Members of the company accorded at the General Meeting by means of a ‘special resolution’.

Accordingly, in order to facilitate the borrowings by the Company, whether secured or unsecured, Members of the Company at their 5th Annual General Meeting held on June 16, 2023, on recommendation of the Board of Directors and in terms of Section 180(1)(c) and Section 180(1)(a) of the Act, accorded their approval by way of special resolution to the Board of Directors of the Company, including any Committee and/or persons authorised (i) to undertake borrowings for the Company, from time to time, exceeding the aggregate of the Company’s paid-up share capital, free reserves and securities premium, provided that the sums so borrowed and remaining outstanding on account of principal at any time shall not exceed Rs. 7,000 Crore; and (ii) to create security/charge/mortgage/hypothecation on the assets/properties of the Company to secure the borrowings of the Company within the limits approved in terms of Section 180(1)(c) of the Act.

The details of the borrowings approved by the shareholders of the Company at their 5th Annual Meeting held on June 16, 2023 is given below:

Type of Borrowings	Proposed Limit
Overall borrowings including borrowings by way of term loan, issue of non-convertible debentures, commercial paper, working capital facilities, inter corporate deposits and other fund as well non-fund-based facilities.	Rs. 7,000 Crore
Issue of non-convertible debentures during a period of 1 (one) year commencing from the date of passing of the Special Resolution at Annual General Meeting held on June 16, 2023	Rs. 2,000 Crore*
Issuance of Commercial Papers	Rs. 500 Crore*

*Part of the overall borrowing limit

Members are requested to note that (i) considering the business growth of the Company and the approved business plan; (ii) to meet the funding requirements for its business; (iii) towards enabling an active borrowing programme to allow the Company to access funds from various lenders; and (iv) to undertake different form of borrowings including but not limited to by way of terms loans, working facilities, issue of debentures, commercial papers, other convertible or non-convertible instruments and other fund/non-fund based facilities, the Board of Directors of the Company at their meeting held on April 30, 2024, subject to the approval by the shareholders of the Company, approved an increase in the borrowing limits of the Company from Rs. 7,000 Crore to Rs. 10,000 Crore and creation of security/charge/mortgage/ hypothecation on the assets of the Company to secure the borrowings by the Company within the limits approved by the shareholders, as detailed below:

Type of Borrowings	Existing Limit	Proposed Limit	Remarks
Overall borrowings including borrowings by way of term loan, issue of non-convertible debentures, commercial paper, working capital facilities, inter corporate deposits and other fund as well non fund-based facilities.	Rs. 7,000 Crore	Rs. 10,000 Crore	An increase of Rs. 2000 Crore is proposed for the approval of the shareholders
Issue of non-convertible debentures	Rs. 2,000 Crore*	Not Applicable	No increase is proposed. However, renewal of the approval of the shareholders for issue of non-convertible debentures is proposed at Item No. 4 of the Notice
Issuance of Commercial Papers	Rs. 500 Crore*	Not Applicable	No increase is proposed.

*Part of the overall borrowing limit

Further, the Board of Directors at their aforesaid meeting authorised Asset Liability Committee to undertake all acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable, in respect of the borrowings to be made on behalf of the Company within the borrowing limits approved by the Members of the Company and creation of security/charge/mortgage/ hypothecation on the assets/properties of the Company to secure the borrowings of the Company.

Accordingly, it is proposed to seek the approval of the Members of the Company in terms of Section 180(1)(c) and Section 180(1)(a) of the Act to undertake borrowings in excess of the paid-up share capital, free reserves and securities premium of the Company, such that the money or monies to be borrowed together with the monies already borrowed and outstanding does not, at any point in time, exceed a sum equivalent to Rs. 10,000 crore and creation of security/charge/mortgage/ hypothecation on the assets of the Company to secure the borrowings of the Company, within the limits approved in terms of Section 180(1)(c) of the Act.

The Board recommends the resolution(s) set out at Item No. 5 and Item No. 6 of the AGM Notice to the Members for their consideration and approval, by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution(s) set out at Item No. 5 and Item No. 6 of the AGM Notice, except to the extent of any borrowings that may be availed by the Company from any entity and/or charge/hypothecation/ mortgage/security that may be created by the Company in favour of any entity, in which any of the Directors or Key Managerial Personnel of the Company or their relatives may be concerned or interested in any capacity.

Item no. 7:

The Board of Directors (“**the Board**”) at their meeting held on April 24, 2019 and subsequently the shareholders of the Company at their Annual General Meeting held on July 31, 2019 appointed Mr. Vijay Chugh (DIN: 07112794) as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from April 24, 2019 till April 23, 2024. Accordingly, the first term of Mr. Vijay Chugh expired on April 24, 2024.

The Nomination and Remuneration Committee (NRC), after taking into account the performance evaluation of Mr. Vijay Chugh during his first term of 5 (five) years and considering his knowledge, skills, acumen, expertise, experience, competencies and contribution and time commitment, recommended to the Board reappointment of Mr. Vijay Chugh for a second term of 5 (five) consecutive years.

The Board, on recommendation of NRC and subject to approval of the shareholders of the Company, at their meeting held on January 23, 2024 approved re-appointment of Mr. Vijay Chugh as Independent Director for a second term of 5(five) consecutive years effective April 24, 2024. While approving the re-appointment of Mr. Vijay Chugh as an Independent Director for a second term of 5(five) consecutive years, the Board also considered and noted that Mr. Vijay Chugh continued to possess the required skills, expertise, experience and competencies for being re-appointed as an Independent Director of the Company and his continued association would be of immense benefit to the Company. Also, Mr. Vijay Chugh has also been an active member of the Board and various committees and brings cohesiveness amongst the Board members.

In terms of Section 149, Section 152 of the Act read with Schedule IV to the Act and the rules framed thereunder, the re-appointment of Mr. Vijay Chugh 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/re-appointment, whichever is earlier. Further, in terms of Regulation 25(2A) of SEBI LODR, the appointment of Mr. Vijay Chugh 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. Vijay Chugh is annexed to this AGM Notice.

Mr. Vijay Chugh has provided his consent to be re-appointed as an Independent 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 re-appointment of Independent Director in terms of Section 149 of the Act and Regulation 16 of SEBI LODR. Mr. Vijay Chugh has also confirmed that he does not attract any disqualifications as per relevant regulatory provisions of the Act, SEBI LODR and RBI Directions.

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. Vijay Chugh as a Director of the Company.

The Board had assessed the veracity of the declarations/documents/confirmations furnished by Mr. Vijay Chugh. Basis the declarations/documents/confirmations furnished by Mr. Vijay Chugh, the Board is of the opinion that he



fulfils the conditions/criteria specified under the Act and SEBI LODR in relation to his re-appointment as an independent director of the Company and that Mr. Vijay Chugh continues to be independent of the management of the Company. Considering Mr. Chugh's skill sets coupled with his rich experience, the Board is of the view that his re-appointment as an independent director would be in the best interest of the Company.

Brief Profile:

Mr. Vijay Chugh has over 35 years of experience in the fields of supervision and regulation of commercial banks, payment and settlement systems, and core banking solutions. He has been former Principal Chief General Manager of the Department of Payment and Settlement Systems for the Reserve Bank of India (RBI). He has been a nominee of the RBI on the board of directors of the State Bank of Patiala and the United Bank of India. He has also been the Chief Vigilance Officer at the Industrial Investment Bank of India Ltd. Mr. Chugh was associated with the South East Asian Central Banks Conference of Directors of Payment and Settlement Systems: 'Challenges in Promoting Safe and Efficient Payment Systems' held in Kuala Lumpur, Malaysia in 2013. Post his retirement, he has been advising various organisations in respect of regulatory matters relating to the payments industry and served as an Independent Director on the Boards of a few companies.

Mr. Vijay Chugh's expertise stems from his strong roots in academia. He holds a Bachelor of Arts from Delhi University, a Master of Arts from Rajasthan University and a Post Graduate Diploma in Business Administration from KC College of Management Studies, Mumbai. As a certified associate of the Indian Institute of Bankers, he has been awarded the Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A.

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. Vijay Chugh 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 AGM. The Members can send a request to the Company at arkasecretarialandcompliance@arkaholdings.com to inspect the same.

Mr. Vijay Chugh 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, re-appointment of Mr. Vijay Chugh as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5(five) consecutive years commencing from April 24, 2024 till April 23, 2029, is being placed before the Members for their approval by way of a Special Resolution at this AGM.

The Board commends passing of the special resolution as proposed at Item No. 7 for re-appointment of Mr. Vijay Chugh as an Independent Director of the Company, for approval by the Members of the Company.

Except for Mr. Vijay Chugh 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. 7 of the AGM Notice.

Item no. 8:

The Board of Directors (“**the Board**”) at their meeting held on April 24, 2019 and subsequently the shareholders of the Company at their Annual General Meeting held on July 31, 2019 appointed Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from April 24, 2019 till April 23, 2024. Accordingly, the first term of Mr. Sivanandhan Dhanushkodi expired on April 24, 2024.



The Nomination and Remuneration Committee (NRC), after taking into account the performance evaluation of Mr. Vijay Chugh during his first term of 5 (five) years and considering his knowledge, skills, acumen, expertise, experience, competencies and contribution and time commitment, recommended to the Board reappointment of Mr. Vijay Chugh for a second term of 5 (five) consecutive years.

Members are requested to note that during the continuance of the second term, Mr. Sivanandhan Dhanushkodi will attain the age of 75 years. In terms of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”). Considering the Kirloskar Group Policy, the NRC recommended that the fresh approvals to be obtained from NRC, the Board and the shareholders of the Company to continue the directorship of Mr. Sivanandhan Dhanushkodi as an Independent Director beyond the age of 75 years.

The Board, on recommendation of NRC, at their meeting held on January 23, 2024 approved re-appointment of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as an Independent Director for a second term of 5(five) consecutive years effective April 24, 2024, subject to approval of the shareholders for appointment as an Independent Director for a second term of 5(five) consecutive years and subject to fresh approvals to be obtained from NRC, the Board and the shareholders of the Company to continue the directorship of Mr. Sivanandhan Dhanushkodi as an Independent Director beyond the age of 75 years.

Members are further requested to note that while approving the re-appointment of Mr. Sivanandhan Dhanushkodi as an Independent Director for a second term of 5(five) consecutive years, the Board also considered and noted that Mr. Sivanandhan continued to possess the required skills, expertise, experience and competencies for being re-appointed as an Independent Director of the Company and his continued association would be of immense benefit to the Company. Also, Mr. Sivanandhan Dhanushkodi has been an active member of the Board and various committees and brings cohesiveness amongst the Board members.

In terms of Section 149, Section 152 of the Act read with Schedule IV to the Act and the rules framed thereunder, the re-appointment of Mr. Sivanandhan Dhanushkodi 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/re-appointment, whichever is earlier. Further, in terms of Regulation 25(2A) of SEBI LODR, the appointment of Mr. Sivanandhan Dhanushkodi 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. Sivanandhan Dhanushkodi is annexed to this AGM Notice.

Mr. Sivanandhan Dhanushkodi has provided his consent to be re-appointed as an Independent 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 re-appointment of Independent Director in terms of Section 149 of the Act and Regulation 16 of SEBI LODR. Mr. Sivanandhan Dhanushkodi has also confirmed that he does not attract any disqualifications as per relevant regulatory provisions of the Act, SEBI LODR and RBI Directions.

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. Sivanandhan Dhanushkodi as a Director of the Company.

The Board had assessed the veracity of the declarations/documents/confirmations furnished by Mr. Sivanandhan Dhanushkodi. Basis the declarations/documents/confirmations furnished by Mr. Sivanandhan Dhanushkodi, the Board is of the opinion that he fulfils the conditions/criteria specified under the Act and SEBI LODR in relation to his re-appointment as an independent director of the Company and that Mr. Sivanandhan Dhanushkodi continues to

be independent of the management of the Company. Considering Mr. Sivanandhan Dhanushkodi's skill sets coupled with his rich experience, the Board is of the view that his re-appointment as an independent director would be in the best interest of the Company.

Brief Profile:

A highly respected IPS officer, Mr. Sivanandhan Dhanushkodi joined IPS in 1976 and retired as the Director General of Police of Maharashtra State Police in 2011. His valour and acumen are evident in his 36-year long journey. He has held several senior positions in the Intelligence Bureau, Central Bureau of Investigation and the Mumbai Crime Branch. He has also served as the Commissioner of Police in Nagpur, Thane City and Mumbai.

Mr. Sivanandhan's accolades include the Meritorious Service Medal (1993), the President's Police Medal for Distinguished Service (2000) and the Internal Security Medal (1998). His work also includes his contributions as a Member of the Special Task Force for the National Security Council Secretariat, New Delhi and as the Security Advisor to the Reserve Bank of India for three years. With a postgraduate degree in Economics, Mr. Sivanandhan also serves as an independent director on the boards of several esteemed companies.

The notice of candidature received from a member under Section 160 of the Act and a copy of the letter of re-appointment setting out the terms and conditions of re-appointment of Mr. Sivanandhan Dhanushkodi 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 AGM. The Members can send a request to the Company at arkasecretarialandcompliance@arkaholdings.com to inspect the same.

Mr. Sivanandhan Dhanushkodi 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, re-appointment of Mr. Sivanandhan Dhanushkodi as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5(five) consecutive years commencing from April 24, 2024 till April 23, 2029, is being placed before the Members for their approval by way of a Special Resolution at this AGM.

The Board commends passing of the special resolution as proposed at Item No. 8 for re-appointment of Mr. Sivanandhan Dhanushkodi as an Independent Director of the Company, for approval by the Members of the Company.

Except for Mr. Sivanandhan Dhanushkodi 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. 7 of the AGM Notice.

Item No. 9:

The Company has on its Board of Directors ("**the Board**") very knowledgeable professionals possessing vast experience and expertise in their respective fields. The Non-Executive Directors of the Company devote considerable time for the Company's business operations, particularly in respect of the vital business decisions and business strategy. The Company has been drawing on the professional expertise of its Non-Executive Directors and believes that they should be adequately remunerated by way of paying commission as permitted under the Companies Act, 2013 read with the rules framed thereunder ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**").

Accordingly, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, at its meeting held on April 30, 2024 and subject to the approval of the shareholders of the Company, accorded its approval for payment of commission not exceeding in aggregate, 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Act to the Non-Executive Directors of the Company for FY 2023- 2024. The Board further authorised Nomination & Remuneration Committee to determine



the quantum, proportion and manner of Commission to be paid to the Non-Executive Directors for the financial year 2023-24.

Members are requested to note that the payment of commission is in addition to the sitting fees and/or other reimbursement of expenses, if any payable to the Non-Executive Directors for attending the meetings of the Board of Directors and its Committees and/or other meetings, as approved by the Board.

Members are requested to note that in accordance with provisions of Section 197 of the Act 2013 and Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the payment of commission to the Non-Executive Directors requires approval of the shareholders of the Company.

Accordingly, approval of the Members of the Company is sought for payment of commission not exceeding in aggregate, 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Act to the Non-Executive Directors of the Company for the financial year 2023-24.

The Board of Directors recommends the resolution set out at Item No. 8 of the AGM Notice to the Members for their consideration and approval, by way of a Special Resolution.

Except for the Non-Executive Directors of the Company and their relatives, 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. 9 of the Notice.

**By the Order of the Board of Directors
For Arka Fincap Limited
Sd/-
Niki Mehta
Company Secretary
Membership No. A47286**

Registered Office:

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

Date : June 24, 2024

Place : Mumbai

ADDITIONAL INFORMATION PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETING (SS2)

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
Age	60 years	40 Years	72 Years	68 Years	66 years	60 years	75 years
Qualification	Bachelor of Commerce from University of Mumbai and an associate member of the Institute of Chartered Accountants of India.	B.Sc. in Business Administration with a concentration in Finance in 2006 from Carnegie Mellon's Tepper School of Business, and has attended Phillips Academy, Andover, near Boston.	Master's degree in economics, IPS	- Bachelor of Arts from Delhi University; - Master of Arts from Rajasthan University - Post Graduate Diploma in Business Administration from KC College of Management Studies, Mumbai. - As a certified associate of the Indian Institute of Bankers, he has been awarded the Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A.	Fellow Chartered Accountant from Institute of Chartered Accountants of India	Bachelor's degree from Delhi University and Certified Associate of the Indian Institute of Bankers	Science Graduate from Mumbai University and holds a Diploma in Business Management from Hazarimal Somani College, Mumbai.

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanush kodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
A brief resume, Experience, Skills, Capabilities and Expertise in specific functional areas, Recognition or awards	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373101	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373108	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373077	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373070	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373056	Please refer brief profile at https://www.arkaholdings.com/arka-fincap/people-individual?article=2373049	<p>Mr. Harish Engineer's remarkable journey in the finance and banking sphere spans over 40 years. Mr. Engineer was associated with HDFC Bank since 1994 in various capacities and retired as an Executive Director on the Board of the bank responsible for Wholesale Banking including International Banking. Prior to this, he spent 26 years at the Bank of America in diverse areas including operations and corporate credit card management.</p> <p>Further, Mr. Harish Engineer is on the Board of a prominent research and manufacturing company, Navin Fluorine International Ltd. (An Arvind Mafatlal Group Company.)</p>

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
							Mr. Harish Engineer is a Science Graduate from Mumbai University and holds a Diploma in Business Management from Hazarimal Somani College, Mumbai.
Terms and Conditions of appointment/ re-appointment	Appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.	Appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.	As mentioned in the Explanatory Statement. Further, terms and conditions of appointment will be as per the letter of re-appointment of Mr. Sivanandhan Dhanushkodi.	As mentioned in the Explanatory Statement. Further, terms and conditions of appointment will be as per the letter of re-appointment of Mr. Vijay Chugh	Not Applicable Independent Director on the Board of the Company for a term of 5 consecutive years effective from October 20, 2022 upto October 19, 2027.	Not Applicable Independent Director on the Board of the Company for a term of 5 consecutive years effective from October 25, 2023 till October 24, 2028.	Not Applicable Independent Director on the Board of the Company for a term of 5 consecutive years effective from June 14, 2019 till June 13, 2024.
Details of remuneration sought to be paid	Commission to the Non-Executive Directors for the financial year 2023-24 not exceeding in aggregate, 1% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013						
Remuneration last drawn	Rs. 8,75,000/- towards sitting fees for attending the meetings of Board of Directors/Co	Rs. 3,00,000/- towards sitting fees for attending the meetings of	Rs. 7,50,000/- towards sitting fees for attending the meetings	Rs. 6,75,000/- towards sitting fees for attending the meetings of Board of Directors/Committee/Inde	Rs. 7,05,000/- towards sitting fees for attending the meetings of Board of Directors/Committee/Indepen	Rs. 2,20,000/- towards sitting fees for attending the meetings of Board of Directors/Committee/Indepen	Rs. 8,25,000/- towards sitting fees for attending the meetings of Board of Directors/Committee/Indepen

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
Director s, Manager and KMP							
No. of Board meetings held and attended during the financial year 2023-24.	4 out of 4	3 out of 4	4 out of 4	4 out of 4	4 out of 4	2 out of 2	4 out of 4
Other Director ships	<ul style="list-style-type: none"> - Kirloskar Industries Limited - Kirloskar Oil Engines Limited - Kirloskar Ferrous Industries Limited - Kirloskar Proprietary Limited - ZF Commercial Vehicle Control System India Limited - Kirloskar Pneumatic Company Limited - Shoppers Stop Limited - Arka Financial Holdings Private Limited - Kirloskar Management Services 	<ul style="list-style-type: none"> - Kirloskar Integrated Technologies Private Limited - Navsai Investments Pvt Ltd - Indo Global Hinjewadi Software Park Private Limited - Kirloskar Oil Engines Limited - Greentek Systems (India) Private Limited - Avante Spaces Limited - La-Gajjar Machines Private Limited 	<ul style="list-style-type: none"> - S D Fine Chem Limited - Forbes & Company Limited - Securus First India Pvt. Ltd. - United Spirits Limited - Securus First Digital Services Pvt. Limited - Kirloskar Industries Limited - Ashok Leyland Defence Systems Limited - Inditrad e Capital Limited 	<ul style="list-style-type: none"> - Inditrade Fincorp Limited - Inditrade Microfinance Limited 	<ul style="list-style-type: none"> - HDFC Education and Development Services Private Limited - Greenlam Industries Limited - Kirloskar Oil Engines Limited - Arka Financial Holdings Private Limited - ASK Automotive Limited - Greenlam Limited - RICO Auto Industries Limited - Relaxo Footwears Limited - Polyplex Corporation Limited 	Nil	Navin Fluorine International Limited

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanush kodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
	Private Limited	<ul style="list-style-type: none"> - Optiqua Pipes and Electricals Private Limited - Arka Financial Holdings Private Limited - Beluga Whale Capital Management Pte. Ltd. - Kirloskar Americas Corporation, USA 	<ul style="list-style-type: none"> - Arka Financial Holdings Private Limited - AGS Transact Technologies Limited - Forbes Precision Tools and Machine Parts Limited 				
Membership/Chairmanship of the Committees of Board held in other company as at March 31, 2024	<p>Kirloskar Oil Engines Limited Audit Committee – Member Nomination & Remuneration Committee – Member</p> <p>Kirloskar Proprietary Limited Remuneration Committee – Member</p> <p>Kirloskar Industries Limited Risk Management Committee – Member</p> <p>ZF Commercial Vehicle Control</p>	<p>Kirloskar Oil Engines Limited Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member</p> <p>La-Gajjar Machineries Private Limited Corporate Social Responsibility Committee – Member</p>	<p>United Spirits Limited Stakeholders’ Relationship Committee – Chairman Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member</p> <p>Forbes & Company Limited Audit Committee</p>	<p>Inditrade Microfinance Limited Audit Committee - Member</p>	<p>Greenlam Industries Limited Audit Committee - Chairman Stakeholders Relationship Committee - Member Risk Management Committee - Member</p> <p>Kirloskar Oil Engines Limited Audit Committee - Member Stakeholders Relationship Committee - Chairman</p> <p>HDFC Education and Development Services</p>	Nil	<p>Navin Fluorine International Limited Corporate Social Responsibility Committee - Member Nomination and Remuneration Committee - Member</p>

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
	<p>Systems India Limited Audit Committee – Chairman Nomination & Remuneration Committee – Member Risk Management Committee – Member</p> <p>Kirloskar Pneumatic Company Limited Nomination & Remuneration Committee – Member</p> <p>Shoppers Stop Limited Audit Committee – Chairman Stakeholders Relationship Committee – Member Risk Management Committee – Chairman Corporate Social Responsibility Committee – Member</p> <p>Arka Financial Holdings Private Limited</p>	<p>Arka Financial Holdings Private Limited Nomination & Remuneration Committee – Member Risk Management Committee – Member Corporate Social Responsibility Committee – Member</p>	<p>Member Stakeholders’ Relationship Committee – Chairman Nomination & Remuneration Committee – Chairman Corporate Social Responsibility Committee – Chairman Kirloskar Industries Limited Audit Committee – Member Nomination & Remuneration Committee – Chairman S D Fine Chem Limited Corporate Social Responsibility Committee – Member</p>		<p>Private Limited Corporate Social Responsibility Committee- Chairman Audit Committee - Chairman Nomination & Remuneration Committee- Member</p> <p>ASK Automotive Limited Risk Management Committee - Chairman Audit Committee - Member Nomination and Remuneration Committee- Member</p>		

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
	Audit Committee – Chairman Nomination & Remuneration Committee – Member Risk Management Committee – Member Banking Committee – Member Committee of Directors – Member		Ashok Leyland Defence System Limited Audit Committee – Member Nomination & Remuneration Committee – Chairman Arka Financial Holdings Private Limited Audit Committee – Member Nomination & Remuneration Committee – Chairman Risk Management Committee – Member Corporate Social Responsibility Committee – Member AGS Transact Technolo				

Name	Mr. Mahesh Chhabria	Ms. Gauri Kirloskar	Mr. Sivanandhan Dhanushkodi	Mr. Vijay Chugh	Mr. Yogesh Kapur	Mr. Gurumurthy Ramanathan	Mr. Harish Engineer
			<p>g ies Limited Audit Committee – Member Nomination & Remuneration Committee – Member Risk Management Committee – Member Stakeholders Relationship Committee – Member</p>				