

April 28, 2023

The Sr. General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, PJ Towers, Dalal Street,
Mumbai 400 001

Dear Sirs/Madam,

Sub: Outcome of the Board Meeting and other intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR")

Ref.: Arka Fincap Limited

Pursuant to SEBI LODR, we wish to inform that the Board of Directors of Arka Fincap Limited ("the Company") at its meeting held today i.e., Friday, April 28, 2023 has *inter alia*, considered and approved the following:

- i. Audited Financial Results for the quarter and year ended March 31, 2023
- ii. Issuance of Non-Convertible Debentures on private placement basis for an amount upto Rs. 2000 Crores in financial year 2023-24, in one or more tranches from time to time, subject to the approval of shareholders of the Company.
- iii. Issue of equity shares on rights basis for an amount upto Rs. 62 Crores, subject to required approvals.

In above context, please find enclosed herewith the following at **Annexure I:**

- i. Audited Financial Results for the quarter and year ended March 31, 2023 issued by P G Bhagwat LLP, Chartered Accountants, ("P G Bhagwat"), prepared pursuant to Regulation 52 of SEBI LODR read with SEBI Circulars issued thereunder.
- ii. Auditor's Report issued by P G Bhagwat Statutory Auditors of the Company on the aforesaid financial results.

Further, please find enclosed:

- i. Declaration regarding audit report with unmodified opinion under Regulation 52 (3) of SEBI LODR at **Annexure II;**
- ii. Certificate required under Regulation 54 of SEBI LODR, issued by P G Bhagwat at **Annexure III;**
- iii. Disclosure of related party transactions under Regulation 23(9) of SEBI LODR for the half year ended March 31, 2023 at **Annexure IV.**

Pursuant to Regulation 52(7) of the SEBI LODR, we hereby confirm that the proceeds of the Non-Convertible Debentures ("NCDs") issued by the Company during the quarter ended March 31, 2023 and listed on BSE Limited have been utilised for the purpose for which these proceeds were raised. In the said context, please find attached statement indicating the utilisation of the issue proceeds of NCDs at **Annexure V.**

The Board Meeting commenced at 11.00 a.m. (IST) and concluded at 1.50 p.m. (IST).

Request you to kindly take the above on record and disseminate the same on your website.

Thank You.

Yours faithfully,
For Arka Fincap Limited

Niki Chirag
Mehta

Digitally signed by Niki Chirag
Mehta
Date: 2023.04.28 14:02:58 +05'30'

Niki Mehta
Company Secretary
Membership No.: A47286
Encl: as above

ARKA FINCAP LIMITED

REGD Office: One World Center, Tower 2B, Floor 12B
Senapati Bapat Marg, Mumbai 400013, India
(Formerly known as Kirloskar Capital Limited)

GST No. 27AAHCK0936B1ZU
CIN U65993MH2018PLC308329
T +91 22 40471000, F +9122 40471010
contact@arkafincap.com
www.arkafincap.com

P G BHAGWAT LLP
CHARTERED ACCOUNTANTS
LLPIN: AAT-9949

HEAD OFFICE
Suites 102, 'Orchard'
Dr. Pai Marg, Baner, Pune – 45
Tel (O): 020 – 27290771/1772/1773
Email: pgb@pgbhagwatca.com
Web: www.pgbhagwatca.com

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of Arka Fincap Limited pursuant to regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Report on the Audit of Financial Results

Introduction

We have audited the accompanying Financial Results of **Arka Fincap Limited** ("the Company") for the quarter ended 31 March 2023 and year ended 31 March 2023 ("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').

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:

- i. are presented in accordance with the requirements of regulation 52 of the Listing Regulations in this regard ; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

These annual financial results have been compiled from the annual audited financial statements. The Company's Board of Directors is responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards specified under section 133 of the Act, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT-9949

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial results, including the disclosures, and whether the Financial results represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For P G BHAGWAT LLP,
Chartered Accountants,
Firm's Registration Number: 101118W/W100682

DEO
NACHIKET
RATNAKAR

Nachiket Deo
Partner
Membership No. 117695
UDIN: 23117695BGXKOI5565
Place: Pune
Date: 28th April 2023

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: arkasecretarialandcompliance@arkafincap.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue from operations					
	(a) Interest income	10,800.14	9,118.17	6,251.62	35,074.05	19,210.33
	(b) Fees and commission income	148.75	226.50	75.00	810.25	503.40
	(c) Net gain on sale of investments	316.95	344.51	105.08	1,182.01	380.25
	(d) Net gain on fair value changes of investments	-	-	(0.49)	-	78.76
	Total revenue from operations	11,265.84	9,689.18	6,431.21	37,066.31	20,172.74
2	Other income	90.60	57.04	7.08	222.57	136.66
3	Total income (1+2)	11,356.44	9,746.22	6,438.29	37,288.88	20,309.40
4	Expenses					
	(a) Finance costs	6,175.06	5,289.26	3,113.34	19,617.28	9,173.74
	(b) Net loss on fair value changes	66.89	(42.01)	-	76.10	-
	(c) Impairment on financial instruments	232.15	189.84	180.60	598.76	557.61
	(d) Employee benefit expenses	2,363.63	1,468.54	1,829.49	6,311.95	4,676.27
	(e) Depreciation and amortisation expenses	100.40	99.64	91.76	393.60	365.34
	(f) Other expenses	752.39	453.18	392.92	2,010.72	1,127.82
	Total expenses	9,690.52	7,458.45	5,608.11	29,008.41	15,900.78
5	Profit before tax (3-4)	1,665.92	2,287.77	830.18	8,280.47	4,408.62
6	Tax expense					
	(a) Current tax	164.54	989.00	347.93	2,450.07	1,535.13
	(b) (Excess)/Short provision related to earlier years	-	-	-	333.12	-
	(c) Deferred tax	278.45	(545.87)	(140.19)	(639.18)	(378.17)
	Total tax expenses	442.99	443.13	207.74	2,144.01	1,156.96
7	Profit after tax (5-6)	1,222.93	1,844.64	622.44	6,136.46	3,251.66
8	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit and loss	(2.75)	-	0.16	(2.75)	0.16
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-
	Total other comprehensive income, net of tax	(2.75)	-	0.16	(2.75)	0.16
9	Total comprehensive income (7+8)	1,220.18	1,844.64	622.60	6,133.71	3,251.82
10	Paid-up equity share capital (Face value of ₹ 10/- each)	88,402.23	88,402.23	75,985.58	88,402.23	75,985.58
11	Other equity	16,450.73	15,178.58	7,696.92	16,450.73	7,696.92
12	Earning per share (In ₹)					
	(a) Basic (Not Annualised)	0.14	0.21	0.08	0.72	0.45
	(b) Diluted (Not Annualised)	0.13	0.21	0.08	0.71	0.45

Notes:

1 Statement of assets and liabilities (Balance Sheet):

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
	Audited	Audited
ASSETS		
(I) Financial assets		
(a) Cash and cash equivalents	21,438.88	13,170.32
(b) Bank balances other than cash and cash equivalents	1,022.19	1,015.42
(c) Trade receivables	-	43.74
(d) Loans	3,68,572.88	2,29,908.39
(e) Investments	39,101.78	16,184.30
(f) Other financial assets	1,100.73	276.79
	4,31,236.46	2,60,598.96
(II) Non-financial assets		
(a) Current tax assets (net)	445.86	370.17
(b) Deferred tax assets (net)	1,292.82	652.72
(c) Property, plant and equipment	313.71	523.49
(d) Intangible assets	256.15	337.01
(e) Other non-financial assets	264.44	217.37
	2,572.98	2,100.76
TOTAL ASSETS (I+II)	4,33,809.44	2,62,699.72
LIABILITIES AND EQUITY		
(III) Financial liabilities		
(a) Trade payables		
(i) Outstanding to micro enterprises and small enterprises	17.73	9.72
(ii) Outstanding dues of creditors other than micro and small enterprises	144.48	124.37
(b) Debt securities	1,09,742.15	57,425.47
(c) Borrowings (other than debt securities)	1,95,521.88	1,16,968.08
(d) Subordinated Debt	6,317.82	-
(e) Other financial liabilities	12,673.11	2,300.36
	3,24,417.17	1,76,828.00
(IV) Non-financial liabilities		
(a) Current tax liabilities (net)	-	-
(b) Provisions	466.70	512.65
(c) Other non-financial liabilities	4,072.61	1,676.57
	4,539.31	2,189.22
(V) Equity		
(a) Equity share capital	88,402.23	75,985.58
(b) Other equity	16,450.73	7,696.92
	1,04,852.96	83,682.50
TOTAL LIABILITIES AND EQUITY (III+IV+V)	4,33,809.44	2,62,699.72

vimal
bhandari

Digitally signed by
vimal bhandari
Date: 2023.04.28
13:01:59 +05'30'

DEO
NACHIKET
RATNAKAR

DEO
NACHIKET
RATNAKAR

Contd...2

2 Statement of Cash Flows:

Particulars	Year Ended 31 March	
	2023	Year Ended 31 March 2022
	Audited	Audited
(₹ in Lakhs)		
A Cash Flow from Operating Activities		
Net profit before tax	8,280.47	4,408.62
Adjustments for:		
Add:		
Depreciation and amortisation	393.60	365.34
Loss on sale of Property, Plant and Equipment	0.38	-
Provision for expected credit loss	598.76	557.61
Provision for share based payments	136.78	94.25
Fair value loss / (gain) on investments	76.10	(78.76)
Finance cost	19,617.28	9,173.74
	20,822.90	10,112.18
Less:		
Interest received on fixed deposits	285.75	260.09
Profit on sale of investments	1,182.01	380.25
Gain on derecognition of ROU asset	5.45	-
Interest received on debt instrument	1,574.33	468.30
Interest income on security deposit	24.45	22.06
Amortised discount income on commercial paper	-	303.98
	3,071.99	1,434.68
Operating profit before working capital changes	26,031.38	13,086.12
Adjustments:		
(Increase)/Decrease in loans and advances	(1,39,270.06)	(1,39,666.31)
(Increase) / Decrease in trade receivables	43.74	(43.74)
(Increase) / Decrease in security deposits	(273.64)	(15.75)
(Increase) / Decrease in Prepaid expenses	(52.82)	(46.63)
(Increase) / Decrease in Other financial assets	(158.32)	(35.56)
(Increase) / Decrease in Other non-financial assets	5.76	(8.15)
Increase / (Decrease) in provisions	1,350.18	1,170.13
Increase/(Decrease) in trade payable	28.12	67.50
Increase/(Decrease) in Other financial liabilities	9,330.44	273.79
Increase/(Decrease) in Other non-financial liabilities	2,396.04	1,013.45
	(1,00,569.18)	(1,24,205.15)
Direct taxes paid	(2,858.88)	(1,820.51)
Net cash used in operating activities (A)	(1,03,428.06)	(1,26,025.66)
B Cash flows from investing activities		
Add:		
Interest received on fixed deposits	285.75	245.67
Receipt on sale of Investments	3,20,978.15	28,564.81
Interest received on debt instrument	1,574.33	-
	3,22,838.23	28,810.48
Less:		
Increase in other bank balance	6.77	1,001.00
Payments on purchase of investment	3,42,872.12	22,003.53
Payments for Purchase of Property, Plant and Equipment	132.50	57.43
Payments for Purchase of Other Intangible assets	4.50	139.19
Payments for Purchase of Intangible assets under development	-	(2.00)
	3,43,015.89	23,199.15
Net cash generated from investing activities (B)	(20,177.66)	5,611.33
C Cash Flow from Financing Activities		
Proceeds from issue of equity share capital (including securities premium)	14,899.97	13,001.26
Proceeds from Bank and NBFCs Borrowings (net)	72,972.91	72,408.46
Proceeds from issuance of Non-Convertible Debentures (net)	63,938.42	24,923.16
Proceeds from issuance of Commercial Papers (net)	(162.21)	9,450.15
Finance cost paid	(19,593.96)	(8,639.67)
Lease liability paid	(180.85)	(184.17)
	1,31,874.28	1,10,959.19
Net Increase in cash and cash equivalents (A) + (B) + (C)	8,268.56	(9,455.14)
Cash and Cash Equivalents at the beginning of the year	13,170.32	22,625.46
Cash and Cash Equivalents at the end of the year	21,438.88	13,170.32

Notes

- Arka Fincap Limited ("the Company") is a Systemically Important Non-Deposit Taking Non-Banking Financial Company registered with the Reserve Bank of India.
- The financial results of the Company have been prepared in accordance with the Indian Accounting Standard ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- This financial results have been prepared in compliance with Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and SEBI Operational Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022, inter alia, applicable to listed Companies whose non-convertible securities are listed on recognised stock exchanges.
- The quarterly financial results for the period ended 31 March 2023 are the balancing figures between the audited figures in respect of the year ended 31 March 2023 and the published year-to-date figures up to 31 December 2022, 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.
- During the current year ended 31 March 2023, the Company has issued and allotted 12,41,66,431 equity shares of face value of ₹ 10 per equity share at a premium of ₹ 2 per equity share amounting to ₹ 14,899.97 Lakhs, on rights basis.
- 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.
- During the year ended 31 March 2023, the Company has issued and allotted (i) 1,560 Senior, Secured, Redeemable, Rated, Listed, Principal Protected, Market Linked Debentures (MLD) of the face value of Rs.10,00,000/- per MLD, aggregating to Rs. 15,606 Lakhs on private placement basis; (ii) 60 Unsecured, Non-Convertible, Listed, Rated, Redeemable, Non-Convertible Subordinated Debentures as Tier - II Capital of face value of Rs.1,00,00,000/- each, aggregating to Rs. 6,000 Lakhs; (iii) 1,000 Senior, Secured, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of Rs.10,00,000/- each, aggregating to Rs. 10,000 Lakhs; (iv) 32,500 Senior, Secured, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of Rs.1,00,000/- each, aggregating to Rs. 32,500 Lakhs and (v) 25,000 Senior, Secured, Listed, Taxable, Redeemable, Partly paid up, Non-Convertible Debentures of face value of Rs.1,00,000/- each and paid up value of Rs.400/- each, aggregating to Rs. 100 Lakhs. The MLDs are rated as CRISIL PPMMLD AA-/Stable and the NCDs are rated as CRISIL AA-/Stable.
- The Secured Non-Convertible Debentures of the Company as on 31 March 2023 are secured by first pari-passu charge over the receivables, including cash and cash equivalent and liquid investments of the Company. The security cover to the minimum extent of 100% or such higher cover as per the offer documents read with Debenture Trust Deeds executed for each of the series/tranches has been maintained by the Company.

vimal
bhandari

Digitally signed
by vimal bhandari
Date: 2023.04.28
13:02:14 +05'30'

DEO
NACHIKET
RATNAKAR

Contd...3

Aggregate amount of loans acquired	18,826.24
Weighted average residual maturity (in years)	3.50
Weighted average holding period by originator (in years)	0.92
Retention of beneficial economic interest by the originator	10%
Coverage Tangible security coverage	46%
Rating-wise distribution of loans	Unrated

Number of loans	3
Aggregate amount of loans transferred	5,303.00
Weighted average remaining maturity (in years)	2.70
Weighted average holding period after origination (in years)	0.82
Retention of beneficial economic interest	Nil
Coverage Tangible security coverage	100%
Rating-wise distribution of loans	NA
Number of transactions where transferor has agreed to replace the transferred loans	NA
Number of transferred loans replaced	Nil

10 The above financial results of the Company for the quarter and year ended 31 March 2023 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 28 April 2023.

13 The Disclosures as required under Regulation 54(3) have been given in Annexure B.

vimal
bhandari

Digitally signed
by vimal bhandari
Date: 2023.04.28
13:02:26 +05'30'

Vimal Bhandari
Executive Vice Chairman and CEO
DIN: 00001318

DEO
NACHIKE
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").

(₹ in Lakhs)

Sr no.	Particulars	Quarter Ended			Year Ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited	Unaudited	Audited	Audited	Audited
(a)	Debt-equity ratio ¹	3.02 : 1	2.41 : 1	2.1 : 1	3.02 : 1	2.1 : 1
(b)	Debt service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(c)	Interest service coverage ratio ²	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil
(e)	Capital redemption reserve	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(f)	Debenture redemption reserve ³	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(g)	Net worth ⁴	1,03,303.99	1,01,732.36	82,692.78	1,03,303.99	82,692.78
(h)	Net profit after tax	1,222.93	1,844.64	622.44	6,136.46	3,251.66
(i)	Earning per share (In ₹)					
	(a) Basic (Not Annualised)	0.14	0.21	0.08	0.72	0.45
	(b) Diluted (Not Annualised)	0.13	0.21	0.08	0.71	0.45
(j)	Current ratio ⁵	1.29 : 1	1.26 : 1	1.53 : 1	1.29 : 1	1.53 : 1
(k)	Long term debt to working capital ⁶	4.25 : 1	4.47 : 1	2.43 : 1	4.25 : 1	2.43 : 1
(l)	Bad debts to Account receivable ratio	0.01%	0.00%	Nil	0.01%	Nil
(m)	Current liability ratio ⁷	0.45 : 1	0.47 : 1	0.44 : 1	0.45 : 1	0.44 : 1
(n)	Total debts to total assets ⁸	0.76 : 1	0.71 : 1	0.68 : 1	0.76 : 1	0.68 : 1
(o)	Debtors turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) ⁹	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(s)	Gross NPA (%)	0.01%	0.00%	Nil	0.01%	Nil
(t)	Net NPA (%)	Nil	Nil	Nil	Nil	Nil
(u)	Capital adequacy ratio (CRAR)	25.48%	29.75%	30.92%	25.48%	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) + Subordinated Debt.
- (2) The Company being a Non-Banking Financial Company registered with the Reserve Bank of India, these ratios are not applicable
- (3) The Company being a Non-Banking Financial Company is not required to create Debenture Redemption Reserve in terms of Rule 18 of Companies (Share Capital and Debenture) Rules,
- (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.

vimal
bhandari

Digitally signed
by vimal bhandari
Date: 2023.04.28
13:02:54 +05'30'

DEO
NACHIKET
RATNAKAR

Annexure B (As required under Regulation 54(3))- Asset Cover Certificate

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as security	Elimination (Amount in Negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate is being used	Other secured debt	Debt for which this certificate is being used	Assets shared by Pari Passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other debt on which there is pari-passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market value for assets charged on exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For eg. Bank Balance, DSRA market value is not applicable)	Market value for pari-passu charge assets viii	Carrying/book value for pari-passu charge assets where market value is not ascertainable or applicable (For eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property, Plant & Equipment							2.24		2.24					
Capital Work-in-progress							-		-					
Right of Use assets							0.90		0.90					
Goodwill							-		-					
Intangible Assets							2.56		2.56					
Intangible Assets Under Development							-		-					
Investments					130.02		-		130.02			130.02		
Loans					3,946.65		0.08		3,946.73				3,946.65	
Inventories					-		-		-					
Trade Receivables					-		-		-					
Cash & Cash Equivalents					214.39		-		214.39					214.39
Bank Balances other than Cash & Cash Equivalents					10.22		-		10.22					10.22
Others							31.04		31.04					
TOTAL					4,301.28		36.82		4,338.09			130.02		4,171.26
LIABILITIES														
Debt securities to which this certificate pertains				Yes	980.95				980.95				980.95	
Other debt sharing pari-passu charge with above debt				Yes	1,955.22				1,955.22				1,955.22	
Other debt									-					
Subordinated debt							179.65		179.65					
Borrowings														
Bank														
Debt securities														
Others														
Trade Payables							1.62		1.62					
Lease liabilities							0.95		0.95					
Provisions							4.67		4.67					
Others							166.50		166.50					
TOTAL					2,936.17		353.40		3,289.56				2,936.17	
Cover on Book Value														
Cover on Market Value ix														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	1.46								

Notes to Annexure:

- Loans amount is considered net of ECL provision and includes investments in CPs, NCDs and PTCs
- Other Assets (Column H) include Other Financial Assets, Other Non-financial Assets, current tax assets and Deferred tax (assets)
- Debt securities for which this certificate is given includes interest accrued but not due on the same
- Subordinated Debt (Column H) includes unsecured commercial papers
- The Company has maintained the Security Cover as per the respective covenant mentioned in the disclosure document
- The numbers filled in the annexure are according to the financials prepared as per IND-AS regulations

vimal
bhandari

Digitally signed
by vimal bhandari
Date: 2023.04.28
13:07:04 +05'30'

DEO
NACHIKET
RATNAKAR

Digitally signed by DEO NACHIKET RATNAKAR
DN: cn=DEO NACHIKET RATNAKAR, o=Vimal Bhandari, email=vimal.bhandari@vimalbhandari.com, c=IN
c=IN, o=Vimal Bhandari, email=vimal.bhandari@vimalbhandari.com, c=IN

Annexure II

April 28, 2023

The Sr. General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, PJ Towers, Dalal Street,
Mumbai 400 001

Dear Sirs/Madam,

Sub: Declaration under Regulation 52(3)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

Pursuant to Regulation 52(3)(a) of the SEBI LODR, I, Amit Kumar Gupta, Chief Financial Officer of Arka Fincap Limited ("the Company") do hereby declare that, the P G Bhagwat LLP, Chartered Accountants (Firms Registration No. 101118W/W100682) Statutory Auditors of the Company have issued an Audit Report with an unmodified opinion on the Audited Financial Results of the Company for the for the quarter and year ended March 31, 2023.

Request to take the above on record.

Thank You

Yours faithfully,
For Arka Fincap Limited


Amit Kumar Gupta
Chief Financial Officer

ARKA FINCAP LIMITED

REGD Office: One World Center, Tower 2B, Floor 12B
Senapati Bapat Marg, Mumbai 400013, India
(Formerly known as Kirloskar Capital Limited)

GST No. 27AAHCK0936B1ZU
CIN U65993MH2018PLC308329
T +91 22 40471000, F +91 22 40471010
contactus@arkafincap.com
www.arkafincap.com

P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT-9949

HEAD OFFICE
Suites 102, 'Orchard'
Dr. Pai Marg, Baner, Pune -45
Tel (O): 020 – 27290771/1772/1773
Email: pgb@pgbhagwatca.com
Web: www.pgbhagwatca.com

To,
The Board of Directors
Arka Fincap Limited
One Indiabulls Centre,
1202 B, Tower 2B, Floor 12B,
Jupiter Mills Compound, Senapati Bapat Marg,
Mumbai 400 013

Certification on book values of assets as provided in Security Cover Certificate as at 31st March 2023

1. Management has requested us to certify the book values of assets contained in the accompanying Statement of Security Cover (the Statement) for Arka Fincap Limited (the Company) as per Annexure I of SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022, as at 31 March 2023. The statement has been prepared by the Company for the purpose of its onward submission to Catalyst Trusteeship Limited (referred to as the 'Company's Debenture Trustee') and BSE Limited ("BSE")

Management's responsibility

2. The preparation of the Statement is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Regulations and for providing all relevant information to the Company's Debenture Trustee and BSE.

Auditor's responsibility

4. Pursuant to the request from Management and as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued in this regard, we are required to provide a limited assurance on whether the book values of the assets provided in the Statement are in agreement with the audited Financial Statements for the year ended 31st March 2023.

P G BHAGWAT LLP

Chartered Accountants

LLPIN: AAT-9949

5. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

8. Based on information, explanations and representations given to us by the Company, in our opinion, the book values of assets as provided in the Statement are in agreement with the Audited Financial Statements for the year ended 31 March 2023.
Also refer to certificate issued for Compliance with Covenants dated 28th April 2023 for adequacy of Security Cover.

Restrictions of use

9. This report has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission to the Company's Debenture Trustee and BSE pursuant to the requirements of the SEBI regulations and circulars issued thereunder. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other person to whom our report is shown or into whose hands it may come without our prior consent in writing.

P G BHAGWAT LLP

Chartered Accountants

FRN: 101118W/W100682

DEO
NACHIKET
RATNAKAR

Nachiket Deo

Partner

Membership No.: 117695

UDIN: 23117695BGXKOJ3980

Place: Pune

Date: 28th April, 2023

Annexure B (As required under Regulation 54(3))- Asset Cover Certificate

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as security	Elimination (Amount in Negative)	(Total C to H)					
	Description of asset for which this certificate relate	Debt for which this certificate is being used	Other secured debt	Debt for which this certificate is being used	Assets shared by Pari Passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other debt on which there is pari-passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market value for assets charged on exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For eg. Bank Balance, DSRA market value is not applicable)	Market value for pari-passu charge assets	Carrying/book value for pari-passu charge assets where market value is not ascertainable or applicable (For eg. Bank Balance, DSRA market value is not applicable)	Total Value*(K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
	Property, Plant & Equipment							2.24		2.24				
	Capital Work in progress													
	Right of Use Assets							0.90		0.90				
	Intangible Assets							2.56		2.56				
	Intangible Assets Under Development													
	Investments				130.02							130.02		
	Equity				3,946.65		0.08		3,946.73				3,946.65	
	Inventories													
	Trade Receivables													
	Cash & Cash Equivalents				214.39				214.39				214.39	
	Bank Balances other than Cash & Cash Equivalents													
	Others				10.22				10.22				10.22	
	TOTAL				4,301.28		36.82		4,338.09			130.02	4,171.26	
LIABILITIES														
	Debt securities to which this certificate pertains			Yes	980.95				980.95				980.95	
	Other debt sharing pari-passu charge with above debt			Yes	1,955.22				1,955.22				1,955.22	
	Other debt													
	Subordinated debt							179.65	179.65					
	Debt securities													
	Equity													
	Trade Payables							1.67	1.67					
	Loan liabilities							0.95	0.95					
	Provisions							4.67	4.67					
	Others							165.50	165.50					
	TOTAL				2,936.17		354.40		3,280.56				2,936.17	
	Cover on Book Value													
	Cover on Market Value is													
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	1.46								
Notes to Annexure:														
1) Loan account is considered net of PP&A provision and includes investments in CPs, NCDs and PTEs.														
2) Other Assets (Column H) include Other Financial Assets, Other Non-Financial Assets, current tax assets and Deferred tax (assets).														
3) Debt securities for which this certificate is given include interest accrued but not due on the same.														
4) Subordinated Debt (column H) includes unsecured commercial papers.														
5) The Company has maintained the Security Cover as per the respective covenant mentioned in the disclosure document.														
6) The numbers listed in the annexure are according to the financials prepared as per IND AS regulations.														

For Arka Fincap Limited (Date: 28th April 2023)

Amit Gupta

Chief Financial Officer

(Signature)



								Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.									
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments					
		Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance ^a	Closing balance ^a	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ inter- corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)	
1	Arka Fincap Limited	Arka Financial Holdings Pvt Ltd	Holding Company	Payments done on behalf of Arka Financial Holdings Pvt Ltd	Omnibus Approval - Not exceeding Rs. 1 Crore per transaction	40.39	-	66.42	114.22								
2	Arka Fincap Limited	Arka Financial Holdings Pvt Ltd	Holding Company	Reimbursement of Expenses	Omnibus Approval - Not exceeding Rs. 1 Crore per transaction	7.42											
3	Arka Fincap Limited	Arka Investment Advisory Services Pvt Ltd	Subsidiary Company of Holding Company	Payments done on behalf of Arka Investment Advisory Services Pvt Ltd	Omnibus Approval - Not exceeding Rs. 1 Crore per transaction	31.85	0.52	32.37									
4	Arka Fincap Limited	Kirloskar Management Services Private Limited - w.e.f. 09 March 2023	Private Company in which Director of the Company is a Director	Expenses paid		1.90	1.90	-	-								
5	Arka Fincap Limited	Kirloskar Management Services Private Limited - w.e.f. 09 March 2023	Private Company in which Director of the Company is a Director	Reimbursement of Expenses		5.43	5.43	14.16	28.32								
6	Arka Fincap Limited	Optiqua Pipes and Electricals Private Limited	Subsidiary of a ultimate holding company	Supply Chain Finance - Loan disbursed		500.00	129.11	185.98	-	No specific financial indebtedness was incurred to give loans			Supply Chain Finance	10%	45 days	Unsecured	Invoice Discounting with LaGajjar Machineries Pvt Ltd
7	Arka Fincap Limited	Optiqua Pipes and Electricals Private Limited	Subsidiary of a ultimate holding company	Supply Chain Finance - Interest received	As per agreed terms	3.15	-	-									
6	Arka Fincap Limited	Vimal Bhandari	Key Management Personnel	Outstanding balance of NCD issued in July 2020		200.00	-	(150.00)	(150.00)								
7	Arka Fincap Limited	Vimal Bhandari	Key Management Personnel	Managerial Remuneration	Refer Note 1	183.85	-	-									
8	Arka Fincap Limited	D Sivanandhan	Director	Director Sitting Fees	Refer Note 2	4.85	-	-									
9	Arka Fincap Limited	Vijay Chugh	Director	Director Sitting Fees	Refer Note 2	4.60	-	-									
10	Arka Fincap Limited	Harish Engineer	Director	Director Sitting Fees	Refer Note 2	2.45	-	-									
11	Arka Fincap Limited	Yogesh Kapur	Director	Director Sitting Fees	Refer Note 2	3.90	-	-									
12	Arka Fincap Limited	Amit Gupta	Key Management Personnel	Remuneration	Refer Note 1	61.75	-	-									
13	Arka Fincap Limited	Niki Mehta	Key Management Personnel - From 22 July 2022	Remuneration	Refer Note 1	11.51	-	-									
14	Arka Fincap Limited	Aditi Mahamunkar	Key Management Personnel of Holding Company	Remuneration	Refer Note 1	4.71	-	-									
15	Arka Fincap Limited	Tejas Raja	Key Management Personnel of Holding Company	Remuneration	Refer Note 1	13.63	-	-									

^aInclusive of GST, if any

Note 1: As approved by the Nomination & remuneration Committee

Note 1: As approved by the Board of Directors

For Arka Fincap Limited

Amit Gupta

Chief Financial Officer

Date: 28-04-2023

(A) Statement of utilization of issue proceeds:

Name of the Issuer	Arka Fincap Limited				
ISIN	INE03W107165	INE03W107173	INE03W107199	INE03W107181	INE03W107207
Mode of Fund Raising (Public issues/ Private placement)	Private placement	Private placement	Private placement	Private placement	Private placement
Type of instrument	Senior, Secured, Redeemable, Rated, Listed, Principal Protected Market Linked Debentures	Senior, Secured, rated, listed, taxable, redeemable, transferrable, non-convertible debentures	Senior, Secured, rated, listed, taxable, redeemable, transferrable, non-convertible debentures	Senior, Secured, rated, listed, taxable, redeemable, transferrable, non-convertible debentures	Secured, rated, listed, taxable, redeemable, transferrable, non-convertible debentures
Date of raising funds (Date of allotment)	January 6, 2023	January 30, 2023	March 23, 2023	March 23, 2023	March 28, 2023
Amount Raised	Rs. 75 Crore	Rs. 200 Crore	Rs. 50 Crore	Rs. 1 Crore	Rs. 75 Crore
Funds utilized	Rs. 75 Crore	Rs. 200 Crore	Rs. 50 Crore	Rs. 1 Crore	Rs. 75 Crore
Any deviation (Yes/ No)	No	No	No	No	No
If 8 is Yes, then specify the purpose of for which the funds were utilized	NA	NA	NA	NA	NA
Remarks, if any	None	None	None	None	None

Note: The proceeds have been utilised in terms of the Disclosure Documents of the respective series/tranches.

(B) Statement of deviation/variation in use of issue proceeds- Not applicable

Name of the listed entity	Mode of Fund Raising	Type of instrument	Date of Raising Funds (Date of allotment)	Amount Raised	Report filed for quarter ended	Is there a deviation/ variation in use of funds raised?	Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	If yes, details of the approval so required?	Date of approval	Explanation for the Deviation Variation	Comments of the audit committee after review	Comments of the auditors if any
-	-	-	-	-	-	-	-	-	-	-	-	-

ARKA FINCAP LIMITED

REGD Office: One World Center, Tower 2B, Floor 12B
Senapati Bapat Marg, Mumbai 400013, India
(Formerly known as Kirloskar Capital Limited)

Am


GST No. 27AAHCK0936B1ZU
CIN U65993MH2018PLC308329
T +91 22 40471000, F +9122 40471010
contact@arkafincap.com
www.arkafincap.com

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table: Not Applicable						
Original object	Modified Object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
-	-	-	-	-	-	-

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed

For Arka Fincap Limited


Niki Mehta
 Company Secretary
 Membership No.: A47286

ARKA FINCAP LIMITED

REGD Office: One World Center, Tower 2B, Floor 12B
 Senapati Bapat Marg, Mumbai 400013, India
 (Formerly known as Kirloskar Capital Limited)

GST No. 27AAHCK0936B1ZU
 CIN U65993MH2018PLC308329
 T +91 22 40471000, F +9122 40471010
 contact@arkafincap.com
 www.arkafincap.com