



**Date:** January 27, 2025

To,  
The Sr. General Manager  
Department of Corporate Services,  
BSE Limited,  
1<sup>st</sup> 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 Regulation 51 of SEBI LODR, we wish to inform that the Board of Directors of Arka Fincap Limited (“**the Company**”) at its meeting held today i.e., Monday, January 27, 2025, has *inter alia*, considered and approved/accepted, the following:

1. Approved Unaudited Financial Results for the quarter ended December 31, 2024 prepared pursuant to Regulation 52 of SEBI LODR and Chapter VI of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
2. Based on the recommendation of Nomination and Remuneration Committee, approved appointment of Mr. Hoshang Noshirwan Sinor (DIN: 00074905) as an Additional Independent Director of the Company for a term of 5 (five) years with effect from January 28, 2025 till January 27, 2030, notwithstanding his age exceeding 75 (seventy five) years at the date of appointment, subject to the approval of shareholders of the Company;

In context of the financial results, please find enclosed herewith the following as **Annexure I**:

- i. Unaudited Financial Results for the quarter ended December 31, 2024; and
- ii. Limited Review Report by Singhi & Co., Chartered Accountants, statutory auditors on the aforesaid financial results.

Further, please find enclosed certificate issued by Singhi & Co., Chartered Accountants at **Annexure II** required under Regulation 54 of SEBI LODR for the quarter ended December 31, 2024.

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 December 31, 2024, and listed on BSE Limited have been utilised for the purpose for which these proceeds were raised. In the said context, please find enclosed statement indicating the utilisation of the issue proceeds of NCDs and Statement of deviation/variation in use of issue proceeds of non-convertible securities pursuant to Regulation 52(7A) of the SEBI LODR at **Annexure III**.

The Board Meeting commenced at 12:00 P.M. (IST) and concluded at 03:30 P.M. (IST).

**Arka Fincap Limited**

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

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

**A rlskar Group Company**

The mark 'Kirlskar' in the status line is owned by Kirlskar Proprietary Limited and ARKA Fincap Limited is the permitted user.



This intimation along with the financial results is also being made available on the Company's website at:  
<https://www.arkaholdings.com/arka-fincap>

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 Mehta**  
**Company Secretary**  
**Membership No.: A47286**

Encl: as above

**Place:** Mumbai

**Independent Auditor's Review Report on unaudited financial results of Arka Fincap Limited for the quarter and nine months ended December 31, 2024 pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended)**

To,  
The Board of Directors  
Arka Fincap Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Arka Fincap Limited** (the 'Company') for the quarter and nine months ended December 31, 2024 (the 'Statement'). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**Other Matter**

4. The comparative financial results of the Company as stated in statement for the quarter and nine months ended December 31, 2023 and for the year ended March 31, 2024 were reviewed / audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on January 23, 2024 and April 30, 2024 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter and nine months ended December 31, 2023 and the year ended March 31, 2024.

Our conclusion is not modified in respect of this matter.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E



*Shweta Singh*

**Shweta Singhal**  
Partner

Membership No: 414420

Place: Mumbai

Date: January 27, 2025

UDIN: **25414420BMLEHWI781F**

# Arka Fincap Limited

Regd. Office: 2504, 2505, 2506, 25th Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, India

Tel: +91 22 40471000 CIN: U65993MH2018PLC308329

Website: www.arkafincap.com E-mail: arkasecretarialandcompliance@arkaholdings.com

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2024

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 December 2024	30 September 2024	31 December 2023	31 December 2024	31 December 2023	31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	(a) Interest income	17,979.35	16,907.67	12,632.44	49,728.73	35,666.85	49,043.60
	(b) Fees and commission income	620.03	874.54	274.20	2,217.39	850.95	1,220.71
	(c) Gain on derecognition of financial assets measured at amortised cost	1,620.42	1,720.21	1,488.04	3,927.65	2,269.35	4,008.73
	(d) Net gain on fair value changes	751.04	296.65	407.00	1,351.01	1,611.75	2,093.12
	Total revenue from operations	20,970.84	19,799.07	14,801.68	57,224.78	40,398.90	56,366.16
2	Other income	544.04	68.85	217.76	678.37	468.34	709.90
3	Total Income (1+2)	21,514.88	19,867.92	15,019.44	57,903.15	40,867.24	57,076.06
4	Expenses						
	(a) Finance costs	12,582.32	11,063.38	7,813.66	33,269.90	22,271.72	31,533.12
	(b) Impairment on financial instruments	924.69	1,298.35	319.89	3,073.43	2,025.54	2,561.19
	(c) Employee benefit expenses	3,257.63	2,810.73	2,701.03	8,868.15	5,428.46	7,864.18
	(d) Depreciation and amortisation expenses	178.43	191.26	185.85	565.94	591.03	777.12
	(e) Other expenses	1,603.68	1,313.41	753.85	3,855.01	2,077.10	3,437.74
	Total expenses	18,546.75	16,677.13	11,274.28	49,632.43	32,343.85	46,168.35
5	Profit before exceptional items and tax (3-4)	2,968.13	3,190.79	3,745.16	8,270.72	8,523.39	10,907.71
	Exceptional Items - Expenses / (Income) (refer note 7)	-	(786.40)	3,089.09	(1,528.50)	3,089.09	1,528.50
6	Profit before tax	2,968.13	3,977.19	656.07	9,799.22	5,434.30	9,379.21
7	Tax expense						
	(a) Current tax	293.37	159.27	680.61	1,051.96	1,484.42	2,049.53
	(b) (Excess)/Short provision related to earlier years	-	(30.11)	-	(30.11)	-	-
	(c) Deferred tax	467.78	818.94	(494.24)	1,410.34	(51.49)	406.60
	Total tax expenses	761.15	948.10	186.37	2,432.19	1,432.93	2,456.13
8	Profit after tax (6-7)	2,206.98	3,029.09	469.70	7,367.03	4,001.37	6,923.08
9	Other comprehensive income, net of tax						
	(a) Items that will not be reclassified to profit and loss						
	(i) Re-measurement gains / (losses) on defined benefit plans and others	(9.67)	(13.10)	-	(22.77)	-	(27.18)
	Income tax effect on above	2.43	3.30	-	5.73	-	6.84
	Subtotal (i)	(7.24)	(9.80)	-	(17.04)	-	(20.34)
	(ii) Net gain / (loss) on equity instruments measured at fair value through comprehensive income	-	(1.34)	-	(1.34)	-	-
	Income tax effect on above	-	0.34	-	0.34	-	-
	Subtotal (ii)	-	(1.00)	-	(1.00)	-	-
	Subtotal (a)	(7.24)	(10.80)	-	(18.04)	-	(20.34)
	(b) Items that will be reclassified to profit and loss	-	-	-	-	-	-
	Total other comprehensive income, net of tax (a) + (b)	(7.24)	(10.80)	-	(18.04)	-	(20.34)
10	Total comprehensive income (8+9)	2,199.74	3,018.29	469.70	7,348.99	4,001.37	6,902.74
11	Paid-up equity share capital (Face value of ₹ 10/- each)	92,872.81	92,872.81	92,872.81	92,872.81	92,872.81	92,872.81
12	Other equity						24,795.63
13	Earning per share (In ₹) (Face value of ₹ 10/- each)						
	(a) Basic (Not Annualised)	0.24	0.33	0.05	0.79	0.44	0.75
	(b) Diluted (Not Annualised)	0.24	0.32	0.05	0.79	0.43	0.74

### Notes

- Arka Fincap Limited ("the Company") is a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India and is categorised as a 'Middle-layer' NBFC in accordance with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.
- 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 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.

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- 5 During the nine months ended 31 December 2024, the Company has issued and allotted (i) 25,000 Senior, Secured, Listed, Taxable, Redeemable, Non-Convertible Debentures of face value of ₹1,00,000/- each, aggregating to ₹25,000 Lakh and (ii) 7,500 Unsecured, Rated, Listed, Taxable, Redeemable, Subordinated Non-Convertible Debentures of face value of ₹1,00,000/- each, aggregating to ₹ 7,500 Lakh on a private placement basis. The NCDs are rated as CRISIL AA/ Stable.
- 6 The Secured Non-Convertible Debentures of the Company as on 31 December 2024 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.
- 7 During the previous year ended 31 March 2024, the Company had made provision of ₹ 1,528.50 lakh against its investments in Alternate Investment Funds (AIFs) as per RBI circular RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023 and RBI/2023-24/140 DOR.STR.REC.85/21.04.048/2023-24 dated March 27, 2024. During the quarter ended 30 June 2024, the Company had reversed the provision to the extent of ₹ 742.10 lakh. The balance provision of ₹ 786.40 lakh has been reversed during the previous quarter ended 30 September 2024 which is in compliance with the above-mentioned RBI circulars.
- 8 Details of loans transferred / acquired during the quarter and nine months ended 31 December 2024 under the Master Directions - RBI (Transfer of Loan Exposures) Directions, 2021 vide circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 are given below:

(i) Details of loans not in default acquired through assignments:

Particulars	Nine Months Ended 31 December 2024
Aggregate amount of loans acquired (in lakhs)	2,965.01
Weighted average residual maturity (in years)	1.29
Weighted average holding period by originator (in years)	0.99
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	0%
Rating-wise distribution of loans	NA

(ii) Details of loans not in default transferred by way of Novation:

Particulars	Nine Months Ended 31 December 2024
Number of loans	3
Aggregate amount of loans transferred (in Lakhs)	6,550.00
Weighted average remaining maturity (in years)	3.55
Weighted average holding period after origination (in years)	0.26
Retention of beneficial economic interest	Nil
Tangible security coverage	100%
Rating-wise distribution of loans	NA
Number of transactions where transferor has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

(iii) Details of loans which are not in default transferred by way of Assignment:

Particulars	Nine Months Ended 31 December 2024
Number of loans	3933
Aggregate amount of loans transferred (in Lakhs)	60,171.90
Sale consideration (in Lakhs)	60,171.90
Weighted average remaining maturity (in years)	9.68
Weighted average holding period after origination (in years)	0.82
Retention of beneficial economic interest	14%
Tangible security coverage	73%
Rating-wise distribution of loans	NA
Number of transactions where transferor has agreed to replace the transferred loans	Nil
Number of transferred loans replaced	Nil

(iv) During the nine months ended 31 December 2024, the company has not transferred / acquired loans in default or stressed loans.

- 9 In terms of the requirements as per para 2.2 of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, as amended from time to time, on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 December 2024 and accordingly, amount required to be transferred to impairment reserve if any, will be assessed at year end.
- 10 The above financial results of the Company for the quarter and nine months ended 31 December 2024 have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors, at their respective meeting held on 27 January 2025.
- 11 The figures for the previous periods pertaining to the financial year 2023-24 have been reviewed / audited by the erstwhile auditor.
- 12 Figures for the previous period/year have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.
- 13 The Disclosures as required under Regulation 52(4) have been given in Annexure A.
- 14 The Disclosures as required under Regulation 54(3) have been given in Annexure B.
- 15 The results for the quarter and nine months ended 31 December 2024 are available on the BSE Ltd website [www.bseindia.com](http://www.bseindia.com) and the Company's website [www.arkaholdings.com](http://www.arkaholdings.com)

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

Samrat Gupta  
Managing Director  
DIN: 01071675



Place: Mumbai  
Date: 27 January 2025

## 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			Nine Months Ended		Year Ended
		31 December 2024	30 September 2024	31 December 2023	31 December 2024	31 December 2023	31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a)	Debt-equity ratio <sup>1</sup>	4 : 1	4.12 : 1	3.26 : 1	4 : 1	3.26 : 1	3.28 : 1
(b)	Debt service coverage ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(c)	Interest service coverage ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Capital redemption reserve	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(f)	Debenture redemption reserve <sup>3</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(g)	Net worth <sup>4</sup>	1,24,740.48	1,22,549.52	1,14,456.38	1,24,740.48	1,14,456.38	1,17,489.03
(h)	Net profit after tax	2,206.98	3,029.09	469.70	7,367.03	4,001.37	6,923.08
(i)	Earning per share (In ₹)						
	(a) Basic (Not Annualised)	0.24	0.33	0.05	0.79	0.44	0.75
	(b) Diluted (Not Annualised)	0.24	0.32	0.05	0.79	0.43	0.74
(j)	Current ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(k)	Long term debt to working capital <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(l)	Bad debts to Account receivable ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(m)	Current liability ratio <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(n)	Total debts to total assets <sup>5</sup>	0.81 : 1	0.81 : 1	0.77 : 1	0.81 : 1	0.77 : 1	0.78 : 1
(o)	Debtors turnover <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(p)	Inventory turnover <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(q)	Operating margin (%) <sup>2</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(r)	Net profit margin (%) <sup>6</sup>	10.26%	15.25%	3.13%	12.72%	9.79%	12.13%
(s)	Gross NPA (%)	0.42%	0.36%	0.21%	0.42%	0.21%	0.23%
(t)	Net NPA (%)	0.17%	0.14%	0.05%	0.17%	0.05%	0.06%
(u)	Capital adequacy ratio (CRAR)	21.89%	21.88%	25.61%	21.89%	25.61%	25.09%
(v)	Liquidity coverage ratio (LCR)	210%	102%	Not Applicable	210%	Not Applicable	219%
(vi)	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, 2014.
- (4) Net worth is calculated as defined under Sec. 2(57) of the Companies Act, 2013
- (5) Total debts to total assets = Total Liabilities (other than Equity) / Total Assets
- (6) Net profit margin = Profit After Tax / Total Income



## Annexure B

Column A	Column B	Column C i	Column D ii	Column E ii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Rs. in Lakhs Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Other secured debt	Part-Passu Charge	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)	Assets not offered as security	debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	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, DSHA market value is not applicable)	Market value for pari-passu charge assets will	Carrying/book value for pari-passu charge assets where market value is not ascertainable or applicable (For eg. Bank Balance, DSHA market value is not applicable)	Total Value=(K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value					Relating to Column F			
<b>ASSETS</b>														
Property, Plant & Equipment							968.76		968.76					
Capital Work-in-progress														
Right of Use assets							523.85		523.85					
Goodwill														
Intangible Assets							171.98		171.98					
Intangible Assets Under Development							14.50		14.50					
Investments							0.15		37,349.19					
Loans (refer note 1)									5,78,158.88				1,14,369.71	1,14,369.71
Inventories														
Trade Receivables														
Cash & Cash Equivalents									20,584.85					
Bank Balances other than Cash & Cash Equivalents									1,801.80					
Others (refer note 2)							13,822.84		13,822.84					
<b>TOTAL</b>							15,502.08		6,53,396.55				1,14,369.71	1,14,369.71
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains (refer note 3)				Yes		1,02,359.86			1,02,359.86					1,02,359.86
Other debt sharing pari-passu charge with above debt			No			3,49,061.96			3,49,061.96					
Other debt							21,550.76							
Subordinated debt														
Borrowings														
Bank														
Debt securities							26,232.23		26,232.23					
Others														
Trade Payables							1,121.89		1,121.89					
Lease liabilities							701.95		701.95					
Provisions							445.04		445.04					
Others							26,849.51		26,849.51					
<b>TOTAL</b>							76,901.38		5,28,323.20				1,02,359.86	1,02,359.86
Cover on Book Value														
Cover on Market Value														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio (refer note 5)	1.12								
<b>Notes to Annexure:</b>														
1) Loans amount is considered net of ECL provision and includes investments in NCDs, CPs and PTCs														
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 includes interest accrued but not due and Ind AS impact														
4) Other Debt - Debt Securities (Column H) includes unsecured commercial papers														
5) The above stated security cover of 1.12x has been arrived on the simple average basis (security basis the cover stipulated for individual NCDs vis - vis NCD liability amount), and meets the stipulated cover at individual ISIN level														
6) The numbers filled in the annexure are extracted from the Financial Information provided by the management and have not been reviewed by the Statutory Auditor														
7) Security Cover Ratio pertains to Listed Secured Non Convertible Debentures (NCDs) and Listed Secured Market Linked Debentures (MLDs) only, (collectively referred as NCDs)														



To  
The Board of Directors,  
**Arka Fincap Limited,**  
2504/ 5/ 6, 25<sup>th</sup> Floor,  
One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel.  
Mumbai - 400013.  
(hereinafter referred as "Company")

To,  
**Catalyst Trusteeship Limited,**  
GDA House, Plot no 85,  
Bhusari Colony, Paud Road,  
Pune- 411038  
(hereinafter referred as "Debenture Trustee")

**Subject:** Certificate of compliance of Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time and para 1 of Chapter V of the Operational Circular for Debenture Trustees dated March 31, 2023 (hereinafter collectively referred as "SEBI Regulations").

1. This certificate is issued, in accordance with the engagement letter dated July 20, 2024. The management has requested us to certify the accompanying statement of information for the, Fully Paid-up, secured, Redeemable Non-convertible Debentures and Fully Paid-up, secured, Redeemable Market Linked Debentures (collectively referred as "Secured NCDs") as on December 31, 2024, as stated in Annexure A annexed to the certificate for the purpose of its onward submission to the Debenture Trustees.
2. As required by Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred as "LODR Regulations"), the Company desires a certificate regarding maintenance of security cover as at December 31, 2024 against such secured NCDs for submission to the Debenture Trustees of such secured NCDs and internal references.

Accordingly, the Company has prepared details of security cover available for such secured NCDs in accordance with the unaudited financial results / financial information as at December 31, 2024 and other relevant documents/records maintained by the Company.





3. As required by Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended vide notification No. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter collectively referred as "SEBI Regulations"), the Debenture Trustee desires a certificate regarding the value of receivables/ book debts in respect of such secured NCDs, as prescribed in Master SEBI Circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 for Debenture Trustees dated March 31, 2023, as amended from time to time.

## Management's Responsibility

4. The preparation and presentation of the "**Annexure A**", in the format prescribed in Operational Circular for Debenture Trustees dated March 31, 2023, is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents.
5. The management of the Company is also responsible for –
  - a. ensuring maintenance of the adequate security cover available for secured NCDs as per Regulation 54 of LODR Regulation.
  - b. accurate computation of security cover available for secured NCDs based on Financial Results/ financial information of the company as at December 31, 2024.
  - c. preparation and maintenance of proper accounting and other records & design, implementation and maintenance of adequate internal procedures/ systems/ processes /controls relevant to the creation and maintenance of the aforesaid records.
  - d. compliance of relevant terms of the aforesaid SEBI Regulations in all respect.
  - e. providing all relevant information to the Company's Debenture Trustee.
6. This responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

## Auditor's Responsibility

7. Based on our examination of the security cover available for secured NCDs, which has been prepared by the management from the unaudited financial information as at December 31, 2024 and relevant records provided by the Company, our responsibility is to provide limited assurance on whether the Company has maintained security cover as per the requirements of DTDs, supplemental DTDs for all outstanding secured debt securities in accordance with Regulation 54 of LODR Regulations in respect of secured NCDs, for the quarter ended December 31, 2024.
8. A limited assurance engagement includes performing procedures to obtain sufficient and appropriate evidence on the reporting criteria. In this connection, we have performed the following procedures –
  - a. Checked the computation of security cover as at December 31, 2024, prepared by the management, as specified in the format prescribed in Operational Circular for Debenture Trustees dated March 31, 2023.



- b. Traced the amounts forming part of the “Annexure A” with the information provided by the management and other relevant records and documents maintained by the Company and verified the arithmetical accuracy of the calculations.
  - c. On sample basis, checked the details of the outstanding amounts and assets required to be maintained as collateral for a particular series of the secured debt securities from the books of accounts and other relevant records and documents maintained by the Company for the quarter ended December 31, 2024.
  - d. We did enquiries with the management of the Company and obtained management representation towards all the stated matters of the certificate
9. 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.
10. We have examined the compliance status as stated in the statement, solely on the basis of the information provided by the management on test check basis, in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by the Institute of Chartered Accountants of India.
11. 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 Service Engagements.
12. The Statement has been prepared by the Management of the Company, which has been stamped and initialled by us for identification purpose.

## Other Matter

13. As per para 3.1 (a) of the circular no. SEBI / HO / MIRSD /MIRSD\_CRADT/COR/P/ 2022/67 dated May 19, 2022 - we are required to certify the book value of the assets, hence, we have not verified market value provided in the Statement of Security Cover (i.e, from Column K to Column O) and accordingly we do not express any conclusion on the same.

## Conclusion

14. Based on our procedures as mentioned in Para 8 above, information and explanations given to us and management representations provided to us, nothing has come to our attention that causes us to believe that the security cover maintained by the Company against the individual outstanding secured NCDs are less than the ratio as prescribed.





**Restriction on use**

15. This Certificate has been issued at the specific request of the Company pursuant to the requirements of Regulation of 56 (1) (d) read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time. This certificate is addressed to and provided to the Board of Directors of the Company and the Debenture Trustee(s) pursuant to requirement of the aforesaid SEBI Regulations. Our certificate should not be used for any other person or for any other purpose. Our Obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this Certificate, or anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

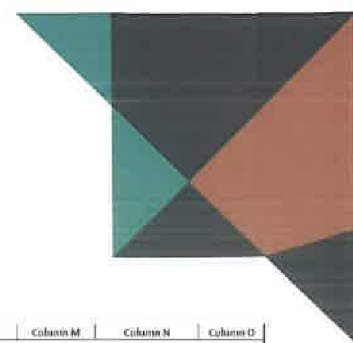


**Shweta Singhal**  
Partner

Membership No. 414420  
UDIN: 25414420BMLEHY3902

Place: Mumbai  
Date: January 27, 2025





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)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relates	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 whose 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 whose market value is not ascertainable or applicable (for eg. Bank Balance, DSRA market value is not applicable)	Total Value=(E+I+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value								Relating to Column F
ASSETS														
Property, Plant & Equipment							362.78		362.78					
Capital Work-in-progress							-		-					
Right of Use assets							523.85		523.85					
Goodwill							-		-					
Intangible Assets							171.88		171.88					
Intangible Assets Under Development							54.50		54.50					
Investments						37,343.04	0.15		37,343.19					
Loans (refer note 3)					1,14,369.71	4,83,798.17	-		5,78,158.88				1,14,369.71	1,14,369.71
Inventories							-		-					
Trade Receivables							-		-					
Cash & Cash Equivalents						20,584.85			20,584.85					
Bank Balances other than Cash & Cash Equivalents							1,801.80		1,801.80					
Others (refer note 2)							11,822.84		11,822.84					
TOTAL					1,14,369.71	5,23,896.96	35,502.69		6,51,196.65				1,14,369.71	1,14,369.71
LIABILITIES														
Debt securities to which this certificate pertains (refer note 3)				Yes		1,02,559.88			1,02,559.88				1,02,559.88	1,02,559.88
Other debt sharing pari-passu charge with above debt				No			3,49,061.96		3,49,061.96					
Other debt														
Subordinated debt							21,539.76		21,539.76					
Renewables														
Bank														
Debt securities							26,212.33		26,212.33					
Others														
Trade Payables							1,171.89		1,171.89					
Lease liabilities							701.95		701.95					
Provisions							443.04		443.04					
Others							26,849.53		26,849.53					
TOTAL						1,02,559.88	3,49,061.96	78,901.38	5,28,121.72				1,02,559.88	1,02,559.88
Cover on Book Value														
Cover on Market Value is														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio (refer note 5)		1.12							
Notes to Annexure:														
1) Loans amount is considered net of ECL provision and includes unamortized in NCDs, CPs and PFCS.														
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 includes interest accrued but not due and not as impact.														
4) Other Debt - Debt Securities (Column H) includes unsecured commercial papers.														
5) The above stated security cover of 1.12 has been arrived on the simple average basis (Security basis the cover stipulated for individual NCDs viz. A-1 vs NCD liability amount), and meets the stipulated cover at individual NCD level.														
6) The numbers listed in the annexure are extracted from the financial information provided by the management and have not been reviewed by the Statutory Auditor.														
7) Security Cover Ratio pertains to Listed Secured Non-Convertible Debentures (NCDs) and Listed Secured Market Linked Debentures (MLDs) only, (collectively referred as NCDs).														

Page 1

For Arka Fincap Limited

*Amit Gupta*

Authorised Signatory

Name: Amit Gupta

Designation: Chief Financial Officer

Place: Mumbai

Date: 27 January 2025



Arka Fincap Limited

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

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

A **Kirloskar** Group Company

The mark 'Kirloskar' in the status line is owned by Kirloskar Proprietary Limited and ARKA Fincap Limited is the permitted user.

To  
The Board of Directors,  
**Arka Fincap Limited,**  
2504/ 5/ 6, 25<sup>th</sup> Floor,  
One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel.  
Mumbai - 400013.  
(hereinafter referred as "Company")

To,  
**Catalyst Trusteeship Limited,**  
GDA House, Plot no 85,  
Bhusari Colony, Paud Road,  
Pune- 411038  
(hereinafter referred as "Debenture Trustee")

**Subject:** Certificate of compliance of Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time and para 1 of Chapter V of the Operational Circular for Debenture Trustees dated March 31, 2023 (hereinafter collectively referred as "SEBI Regulations").

1. This certificate is issued, in accordance with the engagement letter dated July 20, 2024. The management has requested us to certify the accompanying statement of information for the, Fully Paid-up, Redeemable Non-convertible Debentures and Fully Paid-up, Redeemable Market Linked Debentures (collectively referred as "NCDs") as on December 31, 2024, stating the compliance of the financial covenants listed in Annexure A, annexed to the certificate (**Annexure A – referred as "the Statement"**) for the purpose of its onward submission to the Debenture Trustees.
2. As required by Regulation of 56 (1) (d) to be read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter referred as "LODR Regulations"), the Company desires a certificate regarding compliance with all the covenants stated in section "covenants" in Debenture Trust Deed or supplemental Debenture Trust Deed in respect of NCDs for submission to the Debenture Trustees of such NCDs and internal references.
3. As required by Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended vide notification No. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter collectively referred as "SEBI Regulations"), the Debenture Trustee desires a certificate compliance with the financial covenants of the DTDs and / or Supplemental DTDs in respect of such NCDs, as prescribed in Master SEBI Circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 for Debenture Trustees dated March 31, 2023, as amended from time to time.



**Management's Responsibility**

4. The preparation and presentation of the “**Annexure A**”, in the format prescribed in Operational Circular for Debenture Trustees dated March 31, 2023, is the responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents.
5. The management of the Company is also responsible for –
  - a. identification, compilation and compliance with all the financial covenants of the Debenture Trust Deed (DTDs) including supplemental DTDs in respect of such NCDs.
  - b. preparation and maintenance of proper accounting and other records & design, implementation and maintenance of adequate internal procedures/ systems/ processes /controls relevant to the creation and maintenance of the aforesaid records.
  - c. compliance of relevant terms of the aforesaid SEBI Regulations in all respect.
  - d. providing all relevant information to the Company's Debenture Trustee.
6. This responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.
7. The Company's management is responsible for completeness and accuracy of the financial covenants listed in “**Annexure A**” extracted from the list of covenants under the “covenants” section of respective DTDs, supplemental DTDs and the status of compliance with such covenants as at December 31, 2024, basis the guidance provided in Operational Circular for Debenture Trustees dated March 31, 2023.

**Auditor's Responsibility**

8. Based on our examination of the statement on compliance of covenants for NCDs, which has been prepared by the management from the unaudited financial information as at December 31, 2024 and relevant records provided by the Company, our responsibility is to provide limited assurance on whether the Company has complied with financial covenants (as listed in Annexure A) as per the requirements of DTDs, supplemental DTDs for all outstanding debt securities in accordance with Regulation 54 of LODR Regulations in respect of NCDs, for the quarter and nine months ended December 31, 2024.
9. With respect to compliance with covenants (including financial, affirmative, informative, additional and negative covenants) as stated in DTDs, supplemental DTDs, which have been extracted basis the guidance provided in SEBI circular no. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022, we have performed necessary inquiries with the management regarding instances of non – compliance with such financial covenants or communications received from Trustee indicating any breach of such covenants during the quarter and nine months ended December 31, 2024.



10. The management has represented and confirmed that the Company has complied with such financial covenants, as prescribed in DTDs, Supplemental DTDs, as at and for the quarter and nine months ended December 31, 2024 except for the covenants where the due date for compliance has not elapsed as on date of this report and that such covenants shall be complied with subsequent to the date of this report. We have solely relied on such representations provided by the management and have not performed any independent procedures in this regard.
11. A limited assurance engagement includes performing procedures to obtain sufficient and appropriate evidence on the reporting criteria. In this connection, we have performed the following procedures –
  - a. Obtained from management, a list of financial covenants (as enlisted in “**Annexure A**”), extracted from section of “financial covenants” of respective DTDs and supplemental DTDs of all the debt securities outstanding as on December 31, 2024.
  - b. Checked the compliance of certain covenants on sample basis either by obtaining explanations or tested the arithmetical accuracy of the security cover.
  - c. We did enquiries with the management of the Company and obtained management representation towards all the stated matters of the certificate including with respect to the compliance / adherence to the covenants stated in DTDs and Supplemental DTDs.
12. 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.
13. We have examined the compliance status as stated in the statement, solely on the basis of the information provided by the management on test check basis, in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by the Institute of Chartered Accountants of India.
14. 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 Service Engagements.
15. The Statement has been prepared by the Management of the Company, which has been stamped and initialled by us for identification purpose.

## Conclusion

16. Based on our procedures as mentioned in Para 11 above, information and explanations given to us and management representations provided to us, nothing has come to our attention that causes us to believe that the Company has not complied with the financial covenants stated in the “**Annexure – A**” of the statement, except as stated in the annexure.





# Singhi & Co.

Chartered Accountants

## Restriction on use

17. This Certificate has been issued at the specific request of the Company pursuant to the requirements of Regulation of 56 (1) (d) read with Regulation 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t)(ii) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time. This certificate is addressed to and provided to the Board of Directors of the Company and the Debenture Trustee(s) pursuant to requirement of the aforesaid SEBI Regulations. Our certificate should not be used for any other person or for any other purpose. Our Obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this Certificate, or anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

*Shweta Singh*

**Shweta Singhal**  
Partner

Membership No. 414420

UDIN: 25414420BMLEIA4644

Place: Mumbai  
Date: January 27, 2025







Annexure A: Statement containing details of listed, non-convertible debentures ('NCDs') of Arka Fincap Limited (the "Company") outstanding as of December 31, 2024, and the compliance status of the financial covenants as defined in the Debenture Trust Deed

Section I: Details of listed non-convertible debentures ('NCDs') of the Company outstanding as of December 31, 2024 and asset cover required to be maintained against such securities.

Sr. No.	Particulars	Outstanding as of December 31, 2024 (Face Value)	Coverage ratio (times)
1	1000 redeemable NCDs of Rs. 10,00,000 each (INE03W107090)	33,36,67,000	1.33
2	600 redeemable NCDs of Rs. 10,00,000 each (INE03W108015)	60,00,00,000	0.00
3	500 redeemable NCDs of Rs. 10,00,000 each (INE03W107140)	16,70,00,000	1.33
4	500 redeemable NCDs of Rs. 10,00,000 each (INE03W107108)	50,00,00,000	1.10
5	7500 redeemable NCDs of Rs. 1,00,000 each (INE03W107165)	75,00,00,000	1.10
6	20000 redeemable NCDs of Rs. 1,00,000 each (INE03W107173)	80,00,00,000	1.20
7	5000 redeemable NCDs of Rs. 1,00,000 each (INE03W107199)	50,00,00,000	1.20
a	25000 redeemable NCDs of Rs. 400 each (INE03W107181)	1,00,00,000	1.20
8	7500 redeemable NCDs of Rs. 1,00,000 each (INE03W107207)	75,00,00,000	1.10
9	7500 redeemable NCDs of Rs. 1,00,000 each (INE03W108023)	75,00,00,000	0.00
10a	150653 redeemable NCDs of Rs. 1,000 each (INE03W107264)	15,06,53,000	1.10
b	195021 redeemable NCDs of Rs. 1,000 each (INE03W107215)	19,50,21,000	1.10

### Arka Fincap Limited

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

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

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Sr. No.	Particulars	Outstanding as of December 31, 2024 (Face Value)	Coverage ratio (times)
c	141216 redeemable NCDs of Rs. 1,000 each (INE03W107231)	14,12,16,000	1.10
d	2032027 redeemable NCDs of Rs. 1,000 each (INE03W107249)	2,03,20,27,000	1.10
e	98207 redeemable NCDs of Rs. 1,000 each (INE03W107256)	9,82,07,000	1.10
f	382876 redeemable NCDs of Rs. 1,000 each (INE03W107223)	38,28,76,000	1.10
11	5,000 redeemable NCDs of Rs. 100,000 each (INE03W107272)	50,00,00,000	1.10
12	10,000 redeemable NCDs of Rs. 100,000 each (INE03W107280)	1,00,00,00,000	1.10
13	10,000 redeemable NCDs of Rs. 100,000 each (INE03W107298)	1,00,00,00,000	1.05
14	5,000 redeemable NCDs of Rs. 100,000 each (INE03W107298) - Reissue	50,29,93,150	1.05
15	7500 redeemable NCDs of Rs. 100,000 each (INE03W108031)	75,00,00,000	0.00



## Arka Fincap Limited

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A **kirloskar** Group Company

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**Section II: The financial covenants and management covenants as extracted by the management from the respective Debenture Trust Deed and the Compliance Status for the quarter and as on December 31, 2024**

Sr. No.	ISIN	Covenant	Compliance Status
1	1,000 redeemable NCDs of Rs. 10,00,000 each (INE03W107090)	Step-up of 25bps for every notch downgrade and accelerated redemption in case rating goes below A-. In case of 2 rating agencies, lowest of the two shall be considered.	No such event has occurred during the quarter, as represented by the management.
		GNPA should not exceed 3%	Complied as on December 31, 2024
		CRAR should not fall below 18%	Complied as on December 31, 2024
		TOL/TNW should not exceed 4.75x	Complied as on December 31, 2024
		KOEL to maintain 76% holding directly or indirectly in ARKA Fincap Limited	Complied as on December 31, 2024
		Promoter to maintain 40% in KOEL	Complied as on December 31, 2024
2	600 redeemable NCDs of Rs. 10,00,000 each (INE03W108015)	NNPA not to exceed 4%	Complied as on December 31, 2024
		CRAR should not fall below 15%	Complied as on December 31, 2024
		TOL/TNW should not exceed 7x	Complied as on December 31, 2024
		Promoter shareholding should not fall below 51%	Complied as on December 31, 2024
3	500 redeemable NCDs of Rs. 10,00,000 each (INE03W107140)	Step-up of 25bps for every notch downgrade and accelerated redemption in case rating goes below A-. In case of 2 rating agencies, lowest of the two shall be considered.	No such event has occurred during the quarter, as represented by the management.



## Arka Fincap Limited

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

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

**A k rloskar** Group Company

The mark 'K'rioskar' in the status line is owned by K'rioskar Proprietary Limited and ARKA Fincap Limited is the permitted user.



Sr. No.	ISIN	Covenant	Compliance Status
		GNPA should not exceed 3%	Complied as on December 31, 2024
		CRAR should not fall below 18%	Complied as on December 31, 2024
		TOL/TNW should not exceed 4.75x	Complied as on December 31, 2024
		KOEL to maintain 76% holding directly or indirectly in ARKA Fincap Limited	Complied as on December 31, 2024
		Promoter to maintain 40% in KOEL	Complied as on December 31, 2024
4	500 redeemable NCDs of Rs. 10,00,000 each (INE03W107108)	In case of downgrade by one notch in the rating of the Debentures, coupon will be stepped up by 0.25% for each such downgrade, over and above the prevailing coupon rate immediately prior to such rating downgrade. Such enhanced coupon rate shall be applicable from the date of issue of the rating downgrade, by any rating agency, to the residual maturity of bonds. In case of 2 rating agencies, lowest of the two shall be considered.	No such event has occurred during the quarter, as represented by the management.
		NNPA not to exceed 4%	Complied as on December 31, 2024
		TOL / TNW not to exceed 7 times	Complied as on December 31, 2024
		Promoter shareholding [directly / indirectly] in issuer entity should not fall below 51% during the tenor	Complied as on December 31, 2024
		NNPA not to exceed 4%	Complied as on December 31, 2024
		TOL / TNW not to exceed 7 times	Complied as on December 31, 2024



## 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**

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# ARKA



Sr. No.	ISIN	Covenant	Compliance Status
		Promoter shareholding [directly / indirectly] in issuer entity should not fall below 51% during the tenor	Complied as on December 31, 2024
5	7500 redeemable NCDs of Rs. 1,00,000 each (INE03W107165)	In case of downgrade by one notch in the rating of the Debentures, coupon will be stepped up by 0.25% for each such downgrade, over and above the prevailing coupon rate immediately prior to such rating downgrade. Such enhanced coupon rate shall be applicable from the date of issue of the rating downgrade, by any rating agency, to the residual maturity of bonds. In case of 2 rating agencies, lowest of the two shall be considered.	No such event has occurred during the quarter, as represented by the management.
		NNPA not to exceed 3.5%, GNPA not to exceed 5%	Complied as on December 31, 2024
		CRAR should be in excess of 18%	Complied as on December 31, 2024
		Total Debt / TNW not to exceed 5 times	Complied as on December 31, 2024
		Promoter shareholding [directly / indirectly] in issuer entity should not fall below 51% during the tenor. Prior consent of Debenture Holders is to be obtained, in case of shareholding needs to be diluted below 51%. Such approval may be at sole discretion of the Debenture Trustee on behalf of the Majority Debenture Holders under this issue. In case of no response / communication with Debenture Trustee within 30 (thirty) days of the receipt of such notice, it will be treated as Deemed NOC	Complied as on December 31, 2024
6	20,000 redeemable NCDs of Rs. 1,00,000 each (INE03W107173)	In case of downgrade or assignment of any new rating, which is lower than the external credit rating of the NCDs or Issuer, the Coupon Rate for the balance period would increase by 25bps for each notch downgrade in rating and the same will be with effect from the rating downgrade	No such event has occurred during the quarter, as represented by the management.

## 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

The mark 'Kirloskar' in the status line is owned by Kirloskar Proprietary Limited and ARKA Fincap Limited is the permitted user.





Sr. No.	ISIN	Covenant	Compliance Status
		date. In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowings shall be considered for calculation for the purpose of this clause.	
		Net NPA to Tangible Net Worth ratio not to exceed 10%	Complied as on December 31, 2024
		Non-Performing Loan Ratio to not exceed 3.5%	Complied as on December 31, 2024
		Capital Adequacy Ratio to be maintained at least at 20% level.	Complied as on December 31, 2024
		Financial Indebtedness to Tangible Net Worth ratio not to exceed 4x.	Complied as on December 31, 2024
		The Issuers Bank loans shall not be categorized as SMA 0 (other than for technical reasons for an amount upto 1 Crore and for a period upto 15 days), SMA 1 and SMA 2 or are restructured under any RBI Special scheme or bank scheme.	No such event has occurred during the quarter, as represented by the management.
		No ALM mismatch (beyond RBI stipulated limits) in the periodic Structured Asset Liability Statement submitted by the Issuer in compliance to the RBI.	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited (KOEL) to maintain 76% shareholding directly / indirectly in Arka Finance Limited (AFL) except in case of primary infusion; In case of primary infusion KOEL to maintain 51% shareholding directly / indirectly in Arka Finance Limited (AFL).	Complied as on December 31, 2024
		Kirloskar Group Promoter / Promoter Group Family to shareholding directly / indirectly in KOEL to not to fall below 40%	Complied as on December 31, 2024
7	5000 redeemable NCDs of Rs. 1,00,000 each (INE03W107199)	In case of downgrade or assignment of any new rating, which is lower than the external credit rating of the NCDs or Issuer, the Coupon Rate for the balance period would increase by 25bps for each notch	No such event has occurred during the quarter, as represented by the management.



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**A kirloskar Group Company**

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Sr. No.	ISIN	Covenant	Compliance Status
		downgrade in rating and the same will be with effect from the rating downgrade date. In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowings shall be considered for calculation for the purpose of this clause.	
		Net NPA to Tangible Net Worth ratio not to exceed 10%	Complied as on December 31, 2024
		Non-Performing Loan Ratio to not exceed 3.5%	Complied as on December 31, 2024
		Capital Adequacy Ratio to be maintained at least at 20% level.	Complied as on December 31, 2024
		Financial Indebtedness to Tangible Net Worth ratio not to exceed 4x.	Complied as on December 31, 2024
		The Issuers Bank loans shall not be categorized as SMA 0 (other than for technical reasons for an amount upto 1 Crore and for a period upto 15 days), SMA 1 and SMA 2 or are restructured under any RBI Special scheme or bank scheme.	No such event has occurred during the quarter, as represented by the management.
		No ALM mismatch (beyond RBI stipulated limits) in the periodic Structured Asset Liability Statement submitted by the Issuer in compliance to the RBI.	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited (KOEL) to maintain 76% shareholding directly / indirectly in Arka Finance Limited (AFL) except in case of primary infusion; In case of primary infusion KOEL to maintain 51% shareholding directly / indirectly in Arka Finance Limited (AFL).	Complied as on December 31, 2024
		Kirloskar Group Promoter / Promoter Group Family to shareholding directly / indirectly in KOEL to not to fall below 40%	Complied as on December 31, 2024
7a	25,000 redeemable NCDs of Rs. 400 each (INE03W107181)	In case of downgrade or assignment of any new rating, which is lower than the external credit rating of the NCDs or Issuer, the	No such event has occurred during the quarter, as



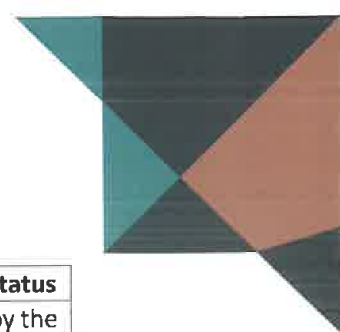
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Sr. No.	ISIN	Covenant	Compliance Status
		Coupon Rate for the balance period would increase by 25bps for each notch downgrade in rating and the same will be with effect from the rating downgrade date. In case, rating from multiple rating agencies is available, the lowest rating available for long term borrowings shall be considered for calculation for the purpose of this clause.	represented by the management.
		Net NPA to Tangible Net Worth ratio not to exceed 10%	Complied as on December 31, 2024
		Non-Performing Loan Ratio to not exceed 3.5%	Complied as on December 31, 2024
		Capital Adequacy Ratio to be maintained at least at 20% level.	Complied as on December 31, 2024
		Financial Indebtedness to Tangible Net Worth ratio not to exceed 4x.	Complied as on December 31, 2024
		The Issuers Bank loans shall not be categorized as SMA 0 (other than for technical reasons for an amount upto 1 Crore and for a period upto 15 days), SMA 1 and SMA 2 or are restructured under any RBI Special scheme or bank scheme.	No such event has occurred during the quarter, as represented by the management.
		No ALM mismatch (beyond RBI stipulated limits) in the periodic Structured Asset Liability Statement submitted by the Issuer in compliance to the RBI.	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited (KOEL) to maintain 76% shareholding directly / indirectly in Arka Finance Limited (AFL) except in case of primary infusion; In case of primary infusion KOEL to maintain 51% shareholding directly / indirectly in Arka Finance Limited (AFL).	Complied as on December 31, 2024
		Kirloskar Group Promoter / Promoter Group Family to shareholding directly / indirectly in KOEL to not to fall below 40%	Complied as on December 31, 2024



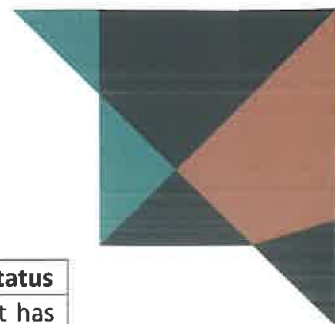
## Arka Fincap Limited

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Sr. No.	ISIN	Covenant	Compliance Status
8	7500 redeemable NCDs of Rs. 1,00,000 each (INE03W107207)	Step-up of 25bps for every notch downgrade	No such event has occurred during the quarter, as represented by the management.
		NNPA should not exceed 3.5%	Complied as on December 31, 2024
		DE to not exceed 4.5x	Complied as on December 31, 2024
		KOEL to maintain 76% shareholding directly/indirectly in Arka Fincap except in case of primary infusion	Complied as on December 31, 2024
		In case of primary infusion, KOEL to maintain 51% directly/indirectly in Arka	No such event has occurred during the quarter, as represented by the management.
		Capital Adequacy Ratio to be maintained at least at 15% level	Complied as on December 31, 2024
9	7500 redeemable NCDs of Rs. 1,00,000 each (INEW108023)	CRAR to be maintained at least at 15%	Complied as on December 31, 2024
		TOL/TNW should not exceed 7x	Complied as on December 31, 2024
		Net NPA should not exceed 4%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited (KOEL) to maintain 74% shareholding directly / indirectly in Arka Finance Limited (AFL) except in case of primary infusion; In case of primary infusion KOEL to maintain 51% shareholding directly / indirectly in Arka Finance Limited (AFL).	Complied as on December 31, 2024
		Kirloskar Group Promoter / Promoter Group Family to shareholding directly / indirectly in KOEL to not to fall below 40%	Complied as on December 31, 2024



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# ARKA



Sr. No.	ISIN	Covenant	Compliance Status
10	150653 redeemable NCDs of Rs. 1,000 each (INE03W107264)	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	No such event has occurred during the quarter, as represented by the management.
10a	195021 redeemable NCDs of Rs. 1,000 each (INE03W107215)	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	No such event has occurred during the quarter, as represented by the management.
10b	141216 redeemable NCDs of Rs. 1,000 each (INE03W107231)	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024

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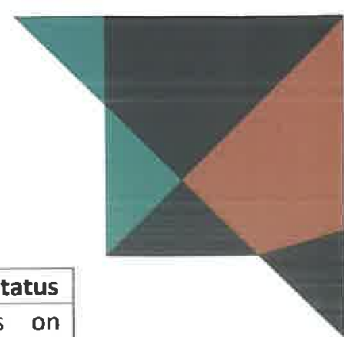
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# ARKA



Sr. No.	ISIN	Covenant	Compliance Status
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	No such event has occurred during the quarter, as represented by the management.
10c	2032027 redeemable NCDs of Rs. 1,000 each (INE03W107249)	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	No such event has occurred during the quarter, as represented by the management.
10d	98207 redeemable NCDs of Rs. 1,000 each (INE03W107256)	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024
		Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	Complied as on December 31, 2024
10e	382876 redeemable NCDs of Rs. 1,000	Maintain a capital adequacy ratio of 15%	Complied as on December 31, 2024



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# ARKA

Sr. No.	ISIN	Covenant	Compliance Status
	each (INE03W107223)	Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited	Complied as on December 31, 2024
		Ensure that ratio of its Net Debt to Equity is not more than 5:1	Complied as on December 31, 2024
		Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5%	Complied as on December 31, 2024
		Credit Rating should not fall below 2 notches from current rating	No such event has occurred during the quarter, as represented by the management.
11	5,000 redeemable NCDs of Rs. 1,00,000 each (INE03W107272)	There should not be a rating downgrade in the Issuer and/or any of subsidiaries by one notch by any rating agency of any of its facilities/instruments.	No such event has occurred during the quarter, as represented by the management.
		AFL shall maintain minimum CRAR of 18%	Complied as on December 31, 2024
		Leverage Debt / TNW ratio shall not exceed - 4.25x; Debt defined as (Total Debt + Contingent Liabilities + Corporate Guarantees incl. Letters of Comforts, Bank Guarantees, Letter of Awareness, Parent Agreement and any such support given towards external debt of any other Group company or third party)/Tangible Networkth) ; Tangible Networkth defined as (Equity Share Capital + Reserves & Surplus - Intangible Assets (including any Goodwill and Intangibles under Development) - Miscellaneous expenditure to the extent not written off - Deferred Tax Assets)	Complied as on December 31, 2024
		Gross NPA (90+ dpd) + Restructured Assets level to not exceed 3%	Complied as on December 31, 2024
		Net NPA/Tangible Networkth to not exceed 10.0%	Complied as on December 31, 2024



## Arka Fincap Limited

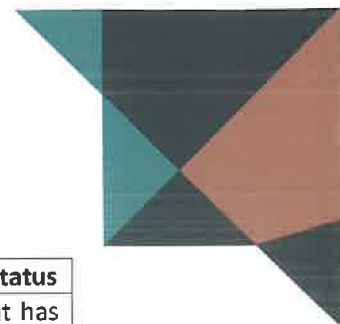
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Sr. No.	ISIN	Covenant	Compliance Status
		The Issuer's Bank Loans not be categorised as SMA 1, SMA 2 nor restructured under any RBI special scheme or bank scheme	No such event has occurred during the quarter, as represented by the management.
		There should be no ALM mismatch (negative) beyond limits stipulated by RBI	Complied as on December 31, 2024
		No subsidiary entity to default on any external borrowings/debt / cross default	Not Applicable as we do not have any subsidiary
		Stake of Kirloskar Oil Engines Limited to not fall below 75%. However, the same can go down to 51% in case of fresh equity infusion by third party.	Complied as on December 31, 2024
12	10,000 redeemable NCDs of Rs. 100,000 each (INE03W107280)	The Coupon Rate for the NCDs will be increased by 0.25% over and above the prevailing Coupon Rate as on the date of downgrade, for every notch downgrade in rating from the rating as on the Deemed Date of Allotment by CRISIL, during the tenure of the Facility.	No such event has occurred during the quarter, as represented by the management.
		Leverage Debt / TNW ratio shall not exceed - 4.5x; Debt defined as (Total Debt + Contingent Liabilities + Corporate Guarantees incl. Letters of Comforts, Bank Guarantees, Letter of Awareness, Parent Agreement and any such support given towards external debt of any other Group company or third party)/Tangible Networkth) ; Tangible Networkth defined as (Equity Share Capital + Reserves & Surplus - Intangible Assets (including any Goodwill and Intangibles under Development) - Miscellaneous expenditure to the extent not written off - Deferred Tax Assets)	Complied as on December 31, 2024
		Gross NPA (90+ dpd) + Restructured Assets level to not exceed 3.5%	Complied as on December 31, 2024
		Net NPA/Tangible Networkth to not exceed 10.0%	Complied as on December 31, 2024



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Sr. No.	ISIN	Covenant	Compliance Status
		The Issuer's Bank Loans not be categorised as SMA 1, SMA 2 nor restructured under any RBI special scheme or bank scheme	No such event has occurred during the quarter, as represented by the management.
		There should be no ALM mismatch (negative) beyond limits stipulated by RBI	Complied as on December 31, 2024
		No subsidiary entity to default on any external borrowings/debt / cross default	Not Applicable as we do not have any subsidiary
		Stake of Kirloskar Oil Engines Limited to not fall below 75%. However, the same can go down to 51% in case of fresh equity infusion by third party.	Complied as on December 31, 2024
13	10,000 redeemable NCDs of Rs. 100,000 each (INE03W107298)	The Coupon Rate for the NCDs will be increased by 0.25% over and above the prevailing Coupon Rate as on the date of downgrade, for every 2 notches downgrade in rating from the rating as on the Deemed Date of Allotment by CRISIL and Acuite during the tenure of the Facility. & Rating should not fall below A-	No such event has occurred during the quarter, as represented by the management.
		The Issuer's Bank Loans should not be categorized as restructured under any scheme by RBI during the tenor of the NCD	No such event has occurred during the quarter, as represented by the management.
		There should be no ALM cumulative mismatch (negative) beyond limits stipulated by RBI	Complied as on December 31, 2024
		AFL shall maintain minimum CRAR of 15% or as stipulated by RBI whichever is higher.	Complied as on December 31, 2024
		No subsidiary entity to default on any external borrowings/debt / cross default	Not Applicable as we do not have any subsidiary
		Management control to be with Kirloskar Group and Promoter Equity to be maintained above 51% for at least 5yrs post issuance of this NCD.	Compliance shall be maintained at an ongoing basis.
14	5,000 redeemable NCDs of Rs. 100,000	The Coupon Rate for the NCDs will be increased by 0.25% over and above the	No such event has occurred during

## Arka Fincap Limited

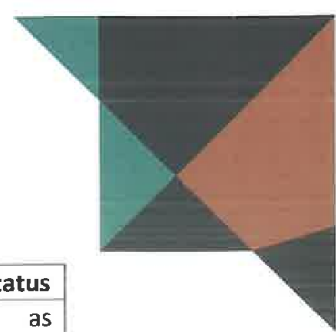
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Sr. No.	ISIN	Covenant	Compliance Status
	each (INE03W107298) Reissue	prevailing Coupon Rate as on the date of downgrade, for every 2 notches downgrade in rating from the rating as on the Deemed Date of Allotment by CRISIL and Acuite during the tenure of the Facility. & Rating should not fall below A-	the quarter, as represented by the management.
		The Issuer's Bank Loans should not be categorized as restructured under any scheme by RBI during the tenor of the NCD	No such event has occurred during the current reporting
		There should be no ALM cumulative mismatch (negative) beyond limits stipulated by RBI	Complied as on December 31, 2024
		AFL shall maintain minimum CRAR of 15% or as stipulated by RBI whichever is higher.	Complied as on December 31, 2024
		No subsidiary entity to default on any external borrowings/debt / cross default	Not Applicable as we do not have any subsidiary
		Management control to be with Kirloskar Group and Promoter Equity to be maintained above 51% for at least 5yrs post issuance of this NCD.	Compliance shall be maintained at an ongoing basis
15	7,500 redeemable NCDs of Rs. 100,000 each (INE03W108031)	The Coupon Rate for the NCDs will be increased by 0.25% over and above the prevailing Coupon Rate as on the date of downgrade, for every 2 notches downgrade in rating from the rating as on the Deemed Date of Allotment by CRISIL Ratings Limited and Acuite Ratings & Research Private Limited, during the tenure of the Facility.	No such event has occurred during the quarter, as represented by the management.
		The Issuer's Bank Loans should not be categorized as restructured under any scheme by RBI during the tenor of the NCD	No such event has occurred during the current reporting
		If there is any rating downgrade in the issuer to below A-/ Stable by any rating agency of any of its facilities/instruments.	Complied as on December 31, 2024
		AFL shall maintain minimum CRAR of 15% or as stipulated by RBI whichever is higher.	Complied as on December 31, 2024



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# ARKA

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		There should be no ALM cumulative mismatch (negative) beyond limits stipulated by RBI	Complied as on December 31, 2024
		No subsidiary entity to default on any external borrowings/debt / cross default	Not Applicable as we do not have any subsidiary
		Management control to be with Kirloskar Group and Promoter Equity to be maintained above 51% for at least 5yrs post issuance of this NCD.	Compliance shall be maintained at an ongoing basis

For Arka Fincap Limited



**Amit Kumar Gupta**  
Chief Financial Officer  
Date: January 27, 2025



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## Annexure- III

### (A) Statement of utilization of issue proceeds:

Name of the Issuer	Arka Fincap Limited
ISIN	INE03W108031
Mode of Fund Raising (Public issues/ Private placement)	Private
Type of instrument	Non-Convertible Debenture (Sub-Debt)
Date of raising funds (Date of allotment)	26 November 2024
Amount Raised	INR 75 Crore
Funds utilized	INR 75 Crore
Any deviation (Yes/ No)	No
If any deviation, then specify the purpose of for which the funds were utilized	NA
Remarks, if any	NA

### (B) Statement of deviation/variation in use of issue proceeds

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

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
Not Applicable						

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

Yours faithfully,  
For Arka Fincap Limited

  
Amit Kumar Gupta  
Chief Financial Officer



**Arka Fincap Limited**

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**Arloskar** Group Company

The mark 'Kirlskar' in the status line is owned by Kirlskar Proprietary Limited and ARKA Fincap Limited is the permitted user.