

Arrka Infosec Private Limited
Balance Sheet as at 31st December 2024
(All amounts in Indian rupees in thousands, unless otherwise stated)

	Notes	As at 31 Dec 2024
ASSETS		
Non-current assets		
Property, plant and equipment	3	142.00
Other intangible assets	4	14,155.63
Intangible assets under development	5	20,292.08
Deferred tax assets (net)	22 (d)	1,627.52
Total non-current assets		36,217.22
Current assets		
Financial assets		
(i) Trade receivables	6	2,376.23
(ii) Cash and cash equivalents	7	4,414.36
Current tax assets (net)	22 (c)	1,963.58
Other current assets	8	264.17
Total current assets		9,018.33
Total assets		45,235.56
EQUITY & LIABILITIES		
Equity		
Equity share capital	9	761.07
Other equity	10	(4,047.59)
Total equity		(3,286.52)
Liabilities		
Non-current liabilities		
Provisions	11	2,595.01
Total non-current liabilities		2,595.01
Current liabilities		
Financial liabilities		
(i) Borrowings	12	38,031.73
(ii) Trade payables	13	
a) total outstanding dues of micro enterprises and small enterprises		-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		240.38
Other current liabilities	14	7,581.77
Provisions	15	73.19
Total current liabilities		45,927.07
Total liabilities		48,522.07
Total equity and liabilities		45,235.56

Summary of material accounting policies

1-2

Notes to the financial statements

3 to 25

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 20-January-2025
UDIN:

Shivangi Nadakarni
Director
DIN: 02465885
Place : India
Date: 20-January-2025

Sachin Dewasthalee
Director
DIN: 06887975
Place : India
Date: 20-January-2025

Arrka Infosec Private Limited
Statement of Profit and Loss for period ended 31st December 2024
(All amounts in Indian rupees in thousands, unless otherwise stated)

	Notes	For the period 28 October 2024 to 31 December 2024
Income		
Revenue from operations	16	5,056.15
Other Income	17	105.78
Total income		5,161.93
Expenses		
Employee benefits expense	18	3,050.29
Finance costs	19	653.16
Depreciation and amortisation expense	20	1,646.96
Other expenses	21	7,061.14
Total expenses		12,411.54
Profit/(Loss) before exceptional items and tax		(7,249.62)
Profit/(Loss) before tax		(7,249.62)
Tax expense:	22	
Current tax		-
Deferred tax		-
Tax provision in respect of earlier years		-
Total tax expenses		-
Profit/(Loss) for the period		(7,249.62)
Other comprehensive (loss)/ income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements loss/(gain) of post-employment benefit obligations		-
Income tax relating to remeasurements (gain)/loss of post-employment benefit obligations		-
Total Other comprehensive income		-
Total Comprehensive Income / (loss) for the period		(7,249.62)
Earnings per equity share		
[Face value of Rs. 10]		
Basic	23	(95.26)
Diluted		(95.26)
Summary of Material Accounting policies	1-2	
Notes to the financial statements	3 to 25	
As per our report of even date attached		

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Arrka Infosec Private Limited
Statement of Cash Flows for the year ended 31st December 2024
(All amounts in Indian rupees in thousands, unless otherwise stated)

**For the period 28 October
2024 to 31 December 2024**

A. Cash flow from operating activities	
Profit/(loss) before tax	(7,249.62)
Adjustments to reconcile profit before tax to net cash flows:	
Finance costs	653.16
Depreciation and amortisation expenses	1,646.96
Operating profit before working capital changes	(4,949.50)
Movement in working capital:	
(Increase)/Decrease in trade receivables	(2,376.23)
(Increase)/Decrease in other current assets	(125.92)
Increase/(Decrease) in trade payables and current liabilities (including short term borrowings)	7,822.15
Increase/(Decrease) in provisions	2,668.20
Cash generated from operations	3,038.71
Net income tax (paid)	1,969.95
Net cash from operating activities (A)	5,008.66
B. Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(18.21)
Net cash used in investing activities (B)	(18.21)
C. Cash flows from financing activities	
Interest paid	(653.16)
Net cash used in financing activities (C)	(653.16)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	4,337.28
Cash and cash equivalents at the beginning of the year	
Balances with bank	
- Current accounts	77.08
Cash and cash equivalents at the end of the year	4,414.36
Notes:-	
1. Cash and cash equivalents include	
Cash on hand	
Balances with bank	
- Current accounts	4,414.36
	4,414.36

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

The notes referred to above form an integral part of the financial statements.

As per our report attached of even date

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Date: 20-January-2025

Arrka Infosec Private Limited
Statement of Changes in Equity for period ended 31st December 2024
(All amounts in Indian rupees in thousands, unless otherwise stated)

(a) Equity share capital :

Equity Share Capital

Particulars	No. of shares	Amount in Lakhs
	Balance as at 27 Oct 2024	76,107
Issued during the period	-	-
Balance as at 31 Dec 2024	76,107	761.07

(b) Other equity

Particulars	Reserves and surplus		Total equity
	Retained earnings	Securities premium	
Balance as at 27 Oct 2024	(48,886.90)	52,088.93	3,202.03
Total comprehensive income for the year ended 31 Dec 2024			
Net profit/ (net loss) for the year	(7,249.62)	-	(7,249.62)
Other comprehensive income (net of tax)	-	-	-
- Remeasurements of post-employment benefit obligation	-	-	-
Total comprehensive income	(7,249.62)	-	(7,249.62)
Transfer from/(to) other reserves	-	-	-
Balance as at 31 Dec 2024	(56,136.52)	52,088.93	(4,047.59)

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium

Securities premium is used to record the premium on issue of shares for the purpose of It's utilisation in accordance with the provisions of Section 52 of the Companies

As per our report of even date attached.

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CIN:U72200PN2012PTC141873

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 20-January-2025
UDIN:

Shivangi Nadakarni Sachin Dewasthalee
Director Director
DIN: 02465885 DIN: 06887975
Place : India Place : India
Date: 20-January-2025 Date: 20-January-2025

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

Summary of material accounting policies and notes forming part of the financial statements.

1. CORPORATE OVERVIEW

Arrka Infosec Private Limited is a company incorporated under the Companies Act, 1956. The company has a registered office in Pune. It aims at providing IT enabled and computer software services.

M/s. Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024.

The Company's registered address is First Floor Bungalow No.8, Panchsheel Park, Behind Anand Park Aundh Pune-411007

2. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, (the 'Act') read with rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 and relevant amendment rules issued thereafter.

- **Functional and presentation currency.**

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded-off to the nearest thousands, as per the requirements of Schedule III of the Act, unless otherwise stated.

- a) Basis of measurement.**

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve-month period from the balance sheet date, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (asset)/liability that are measured at fair value of plan assets net of the present value of defined benefit obligations.

- b) Use of judgements estimates and assumptions.**

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Assumptions and estimation uncertainties.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

- Note 3,4 & 5 - Useful life of depreciable assets – Property, Plant and Equipment, Capital Work in progress and Intangible asset with Intangible assets under development.
- Note 23 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 21 - Recognition of tax expense including deferred tax.

c) Current and non-current classification of assets and liabilities

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle.
- Held primarily for the purpose of trading.
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

2.2. Material accounting policies

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.2.1. Property, plant and equipment:

• Recognition and measurement

Property plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to

Arrka Infosec Private Limited**Notes to the standalone financial statements for the period ended 31 December 2024**

the acquisition of the item. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year/period in which they are incurred.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

• Depreciation

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation done by management, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year/period end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year/period end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

The estimates of useful lives of the tangible assets are as follows:

Sr no.	Nature of Assets	Useful Life
1	Plant and Machinery	5 Years
2	Office Equipment	5 Years
6	Computer & Softwares	3 Years
7	Furniture & Fixtures	5 Years

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

2.2.2. Intangible assets:**• Recognition and measurement**

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

• Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate probable future economic benefits;
- The availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of internally generated intangible asset begins when the development is complete and the asset is available for use.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

• Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful life of intangible assets are as follows:

Asset Category	Useful life adopted by the Company (years)
Intangible Assets	5 years on SLM Basis

• Disposal

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”.

• **Impairment of tangible and intangible assets**

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

2.2.3. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.2.4. Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an assets or CGU’s fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.2.5. Revenue from contracts with customer:

The Company uses the percentage of completion method using the input to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

2.2.6. Software Expenses

The various software that are purchased for the purpose of completing specific project or job are charged to revenue in the year/period of acquisition. The software which are not project specific and can be utilized for other projects and has a useful life are capitalized.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.2.7. Foreign currency transactions:

Initial Recognition

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year/period are recognised in the statement of profit and loss of the year/period.

Subsequent Recognition

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.2.8. Employee benefits:

• Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year/period.

• Post-employment benefits

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

Defined contribution plans

Contributions to the provident fund and superannuation fund, which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity and leave encashment/compensated absences scheme are defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement, of gratuity scheme comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods.

Remeasurement, of leave encashment/compensated absences scheme comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit in the statement of profit and loss (P&L) in the period in which they occur.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.2.9. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

• Current Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

• Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.2.10. Earnings per share (EPS):

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year/period. Diluted earnings per share is determined by

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

2.2.11.Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required, or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

2.2.12.Cash and cash equivalents:

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.2.13.Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

2.2.14.Leases

As a lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the lease term, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

For Finance leases, initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.2.15.Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.16. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options, and embedded derivatives in the host contract.

I. Financial assets

Initial recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to Trade Receivable and Loans.

(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument based on Company's past history of recovery, creditworthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

II. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(a) Financial liabilities at FVTPL

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Compound financial instruments

Compound financial instruments issued by the Company are accounted by recognising the liability and the equity components separately. The liability component is initially recognised at the fair value. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability

Arrka Infosec Private Limited

Notes to the standalone financial statements for the period ended 31 December 2024

component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

2.2.17.Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the period ended Dec 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Arrka Infosec Private Limited

Notes to the financial statements

(All amounts in Indian rupees in thousands, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Computer and Software	Office Equipment	Furniture & Fixture	Total
Gross Block:				
As at 28 Oct 2024	2,893.19	5.69	993.01	3,891.89
Additions	18.21	-	-	18.21
Deletions	-	-	-	-
As at 31 Dec 2024	2,911.40	5.69	993.01	3,910.10
Depreciation:				
As at 28 Oct 2024	2,755.72	5.69	993.01	3,754.42
Additions	13.68	-	-	13.68
Deletions	-	-	-	-
As at 31 Dec 2024	2,769.40	5.69	993.01	3,768.11
Net Block:				
As at 27 Oct 2024	137.46	-	-	137.46
As at 31 Dec 2024	142.00	-	-	142.00

4 Intangible Assets

Particulars	Capital Ninja	APMP	APS	Total
Gross Block:				
As at 28 Oct 2024	4,688.31	31,546.05	9,623.01	45,857.37
Additions				-
Deletions				-
As at 31 Dec 2024	4,688.31	31,546.05	9,623.01	45,857.37
Amortisation:				
As at 28 Oct 2024	4,290.13	19,377.05	6,401.29	30,068.47
Additions	166.98	1,123.56	342.74	1,633.28
Deletions				-
As at 31 Dec 2024	4,457.11	20,500.61	6,744.03	31,701.75
Net Block:				
As at 27 Oct 2024	398.19	12,168.99	3,221.72	15,788.90
As at 31 Dec 2024	231.20	11,045.44	2,878.98	14,155.63

5 Capital work in progress

Particulars	Capital Ninja	APMP	APS	Total
As at 28 Oct 2024	-	7,766.18	12,525.90	20,292.08
Additions				
Deletions				
As at 31 Dec 2024	-	7,766.18	12,525.90	20,292.08

Arrka Infosec Private Limited
Notes to the financial statements
(All amounts in Indian rupees in thousands, unless otherwise stated)

6 Trade receivables	As at 31 Dec 2024
Unsecured	
Considered good	2,376.23
Considered doubtful	-
Less : Allowances for expected credit loss	-
Unearned Revenue	-
	2,376.23
	2,376.23
7 Cash and cash equivalents	As at 31 Dec 2024
<u>Balances with Bank</u>	
- ICICI Bank A/c No. 042405002844	4.88
- Saraswat Bank A/c No. 087100100101408	262.25
- ICICI Bank A/c No. 042405002953	4,146.87
- Overdraft A/c No. ODPUB/1732 with Saraswat Bank	0.36
<u>Cash on Hand</u>	-
	4,414.36
	4,414.36
8 Other current assets (Unsecured, considered good)	As at 31 Dec 2024
Deposits	25.00
Advance given to employees	198.02
Prepaid Expenses	41.15
	264.17
	264.17

9 Share capital

Particulars	As at 31 Dec 2024
Authorised :	
1,00,000 Equity Shares of Rs.10 each	1,000.00
TOTAL	1,000.00
Issued, Subscribed & Paid up	
76,107 Equity Shares of Rs.10/- each Fully issued, Subscribed & Paid up	761.07
TOTAL	761.07

Reconciliation of number of shares outstanding at the beginning and end of the year:

Equity shares :*	As at 31 Dec 2024
	No. of shares
Outstanding at the beginning of the year	76,107
Equity Shares issued during the year in consideration for cash	
Outstanding at the end of the year	76,107

* Number of shares is presented as absolute number.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 Dec 2024	
Persistent Systems Limited	76,101	99.99%

Promoters shareholding in the Company is set out below:

Equity shares of Rs. 10 each fully paid	As at 31 Dec 2024	
	No. of shares	No. of shares %
1. Persistent Systems Limited	76,101	99.99%
2. Mr. Yogesh Patgaonkar (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
3. Ms. Dhanashree Bhat (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
4. Mr. Nitinchandra Shende (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
5. Mr. Jayant Konde (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
6. Mr. Sachin Dewasthalee (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
7. Ms. Nayana Bhandari (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%
Total	76,107	100.00%

M/s. Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956), has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024.

10 Other equity

Particulars	As at 31 Dec 2024
Reserves and surplus	
a. Securities premium	52,088.93
b. Retained earnings	(56,136.52)
	(4,047.59)

Other equity	As at 31 Dec 2024
Reserves and surplus	
a. Securities premium	
Opening Balance	52,088.93
(+) Securities premium credited on Share issue	-
Closing balance	52,088.93
b. Retained earnings	
Opening balance	(48,886.90)
(+) Net Profit/(Net Loss) for the current Period	(7,249.62)
Other comprehensive (loss)/ income	
- Remeasurements of post-employment benefit obligation (net of tax)	-
Closing balance	(56,136.52)
	(4,047.59)

Arrka Infosec Private Limited
Notes to the financial statements

11 Non-current provisions	As at 31 Dec 2024
Provision for gratuity	2,595.01
	<u>2,595.01</u>
12 Current borrowings	As at 31 Dec 2024
Unsecured Loan	
<u>From related parties</u>	
Loan from Persistent Systems Limited	38,031.73
	<u>38,031.73</u>
13 Trade payables	As at 31 Dec 2024
Trade payables	
Total outstanding dues of micro and small enterprises	-
Total outstanding dues of creditors other than micro and small enterprises	240.38
	<u>240.38</u>
Notes :	
Based on the information available with the company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act 2006 is Rs. Nil and no interest has been paid or is payable under the terms of the MSMED Act 2006.	
14 Other current liabilities	As at 31 Dec 2024
Statutory Liabilities	
- Profession Tax	35.60
- Tax Deducted At Source	145.06
- Goods and Service Tax	308.25
<u>Other Payable</u>	
- Expenses Payable	6,862.86
- Professional Fee Payable	230.00
	<u>7,581.77</u>
15 Current provisions	As at 31 Dec 2024
(a) Provision for employee benefits	
Interest on Gratuity	73.19
	<u>73.19</u>

Arrka Infosec Private Limited
Notes to the financial statements
(All amounts in Indian rupees in thousands, unless otherwise stated)

16 Revenue from operations	For the period 28 October 2024 to 31 December 2024
Sale of Services - Domestic	5,056.15
Sale of Services - Export	-
	5,056.15
Less: duties & taxes	-
Total revenue from operations	5,056.15
Refer Note 25 for additional disclosures pursuant to Ind AS 115 - Revenue from contracts with customers	
17 Other income	For the period 28 October 2024 to 31 December 2024
Interest on Income Tax	105.78
	105.78
18 Employee benefits expense	For the period 28 October 2024 to 31 December 2024
Salaries, Wages & Incentives	2,924.53
Employer Contribution to Providend Fund	91.20
Employer Contribution to Medclaim Insurance	29.22
PF Administration Charges	5.34
	3,050.29
19 Finance costs	For the period 28 October 2024 to 31 December 2024
Bank Charges	4.06
Interest on Overdraft with Saraswat Bank	23.31
Interest on Unsecured Loan	625.80
	653.16
20 Depreciation and amortisation expense	For the period 28 October 2024 to 31 December 2024
Depreciation of property, plant and equipment	13.68
Amortisation of intangible assets	1,633.28
	1,646.96

Arrka Infosec Private Limited

Notes to the financial statements

(All amounts in Indian rupees in thousands, unless otherwise stated)

21 Other expenses

**For the period 28
October 2024 to 31
December 2024**

Audit Fees	40.86
Foreign Exchange Loss/(Gain)	15.04
Late Fees & Interest	4.04
Professional & Technical Fees	6,880.92
Rent	20.00
Website Subscription and Development	100.28
	<hr/>
	7,061.14
	<hr/>

(a) Payment to auditors

**For the period 28
October 2024 to 31
December 2024**

Statutory audit fee	40.86
Other Services	-
	<hr/>
	40.86
	<hr/>

22 Taxes

(a) Statement of profit or loss

Particulars	For the period 28 October 2024 to 31 December 2024
Tax expense:	
Current tax	-
Deferred tax	-
Tax in respect of earlier years	-
Income tax expense reported in the statement of profit or loss	-

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the period 28 October 2024 to 31
Deferred tax	
Remeasurements gains and losses on post employment benefits	-
Income tax recognised in OCI	-

(c) Balance sheet

Tax assets

Particulars	As at 31 Dec 2024
Non- current tax assets	-
Current tax assets	
Tax Deducted At Source	1,963.58
Advance tax (net of provisions)	-
Total tax assets	1,963.58

Tax liabilities

Particulars	As at 31 Dec 2024
Income tax (net of advance tax)	-
Total current tax liabilities	-

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 Dec 2024
Deferred tax liabilities	
Total deferred tax liabilities	-
Deferred tax assets	(1,627.52)
Total deferred tax assets	(1,627.52)
Net deferred tax liability/(asset)	(1,627.52)

23 Earnings Per Share

Particulars	For the period 28 October 2024 to 31 December 2024
Profits attributable to equity shareholders	
Profit for basic earning per share of Rs. 10 each	
Profit for the Period (Rs. in millions)	(7,249.62)
Weighted average number of equity shares outstanding during the Period	76,107
Basic EPS (Rs.)	(95.26)
Diluted Earnings Per Share	
Profit for diluted earning per share of Rs. 10 each	
Profit for the in millions	(7,249.62)
Weighted average number of equity shares outstanding during the Period	76,107
Diluted EPS (Rs.)	(95.26)
Weighted average number of equity shares for basic earnings per share	For the period 28 October 2024 to 31 December 2024
Balance at the beginning and at the end of the Period	76,107
Issued during the Period	-
Weighted average number of equity shares outstanding during the Period	76,107
Weighted average number of equity shares for diluted earnings per share	For the period 28 October 2024 to 31 December 2024
Balance at the beginning and at the end of the Period	76,107
Issued during the Period	-
Weighted average number of equity shares outstanding during the Period	76,107

24 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Particulars	As at 31 Dec 2024
-	-
Total	-

(b) Commitments - Nil

Particulars	As at 31 Dec 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	
Total	-

Arrka Infosec Private Limited
Notes to the financial statements
(All amounts in Indian rupees in thousands, unless otherwise stated)

25: Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

There are no significant differences between revenue as per contracted price and revenue recognised from contracts with customers.

Particulars	For the period 28 October 2024 to 31 December 2024
Sale of Services - Domestic	5,056.15
Sale of Services - Export	-
Total revenue from contracts with customer	5,056.15

(b) Timing of revenue recognition

Particulars	For the period 28 October 2024 to 31
At point in time	5,056.15
Total Revenue	5,056.15

(c) Contract Balances

Particulars	As at 31 Dec 2024
Trade Receivables	2,376.23

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 20-January-2025
UDIN:

Shivangi Nadakarni
Director
DIN: 02465885
Place : India
Date: 20-January-2025

Sachin Dewasthalee
Director
DIN: 06887975
Place : India
Date: 20-January-2025