INDEPENDENT AUDITOR'S REPORT

To the Members of Arka Investment Advisory Services Private Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying standalone financial statements of **Arka Investment Advisory Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the Financial Statements and our auditor's report thereon. The Board of Directors report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board of Directors report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

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4. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(e) On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) Reporting of Internal financial controls over financial reporting of the company and the operating effectiveness of such controls is not applicable to the company, since it is a private limited company which neither has turnover of Rs. 50 crores or more nor does it have aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year in excess of Rs. 25 Crores based on the notification no. G.S.R. 583(E) dated June 13, 2017 issued by Ministry of Corporate Affairs.

(g) The Company has not paid any managerial remuneration to its directors and thus, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a. Based on the Management representation provided to us, we report that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. Based on the Management representation provided to us, we report that, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on our audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. According to the information and explanations given to us and based on our examination which included appropriate test checks, we report that the company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of tampering of the audit trail feature during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

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on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 24113053BKBFGQ9474

Umesh S. Abhyankar
Partner
Membership Number: 113 053
Pune, May 3, 2024.

Annexure 1 referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2024 of – Arka Investment Advisory Services Private Limited

i.

(a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment including details of right-of-use assets covered under Ind AS 116,' Leases.'

(B) The Company does not hold any intangible assets during the year and as such the reporting under paragraph 3 (i)(a)(B) are not applicable to the Company.

(b) The Property, Plant and Equipment (comprising of building on lease – ROU assets) have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.

(c) The Company did not own any immovable properties during the year. In case of Building on lease, the lease deed has been duly registered in the favour of the company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the clause 3(i)(d) of the Order is not applicable.

(e) Based on the audit procedures conducted by us and according to the information and explanations given to us, we report that no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) The Company's nature of business does not involve inventories and as such, the reporting under paragraph 3 (ii)(a) of the Order is not applicable to the Company.

(b) Based on the audit procedures conducted by us and according to the information and explanations given to us, we report that the Company has not been sanctioned any working capital limits from banks or financial institutions during the year. As such, reporting under paragraph 3 (ii)(b) of the Order is not applicable to the Company.

iii.

(a) Based on the audit procedures conducted by us and according to the information and explanations provided to us, during the year the company has not provided any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. As such, requirements under paragraph 3 (iii) (a) of the Order is not applicable to the Company.

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(b)According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the investment made by the company are not prejudicial to the company's interest.

Based on the audit procedures conducted by us and according to the information and explanations provided to us, during the year the company has not provided any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and as such, requirements under paragraph 3 (iii) (c) to (f) of the Order are not applicable to the Company.

iv. Based on the audit procedures conducted by us and according to the information and explanations given to us, in our opinion, and with reference to exemption for Rights Issue under section 186 (11) (b) (ii), there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and as such requirements under paragraph 3 (iv) of the Order is not applicable to the company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made there under apply. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vi. The maintenance of cost records is not applicable to the company pursuant to the provisions of sub-section (1) of section 148 of the companies Act, 2013.

vii.

(a) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that the company is regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us and on the basis of examination of the books of account and the records of the Company, we report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no transactions, which were not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

G. D. APTE & CO. Chartered Accountants

ix.

(a) The Company has not availed any loan from any financial institution, bank, government, debenture holders or any other lender. As such, the reporting under this paragraph regarding default of the Company in repayment of dues to financial institution, bank, government or debenture holders or any other lender is not required.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that the company has not obtained any loans from banks, financial institutions, Government Authorities and other lenders. As such, reporting under clause 3(ix)(b) shall not be applicable.

(c) According to the information and explanations given to us and on the basis of examination of books of account and records, the company has not availed term loans during the year. As such, reporting under clause 3(ix)(c) shall not be applicable.

(d) During the year, the company has not raised any loans from banks or financial institutions. As such, reporting under clause 3(ix)(d) shall not be applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. As such, reporting under clause 3(ix)(e) shall not be applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. As such, reporting under clause 3(ix)(f) shall not be applicable.

x.

(a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under clause 3(x)(a) is not be applicable.

(b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares during the year.

xi.

(a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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(c) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the company we report that since requirement of establishing a vigil mechanism is not applicable under section 177 (9) of the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, reporting under this clause is also not applicable.

xii.

(a) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, the Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under clause 3 (xi i) (a) to (c) is not applicable.

xiii. Based upon the audit procedures performed and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Financial Statements.

xiv. The company does not have an internal audit system in place. In our opinion, the requirements of having an internal audit system in place is not mandatory to the company in view of Rule 13 of the Companies (Accounts) Rules, 2014.

xv. Based upon the audit procedures performed by us and according to the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act.

xvi.

(a) According to the information and explanations given to us and based on audit procedures performed by us, we report that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) According to the information and explanations given to us and based on audit procedures performed by us, we report that the company has not conducted any non-banking financial or housing finance activities during the year.

(c) According to the information and explanations given to us and based on audit procedures performed by us, we report that the Company is not a Core Investment Company (CIC).

(d) According to the information and explanation given to us, the group has one Core Investment Company as defined in Core Investment Companies (Reserve Bank) Directions, 2016.

xvii. The Company has incurred cash losses of Rs. 215.5 Lakhs in the current financial year i.e. FY 2023-24 and Rs. 17.22 Lakhs during FY 2022-23.

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xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to information and explanation provided to us, the Company is not required to comply with provisions of section 135 of Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 since the company has incurred losses since its incorporation. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration number: 100515W
UDIN: 24113053BKBFGQ9474

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number.: 113053
Pune, May 3, 2024

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

Particulars	Note No	As at 31 March 2024	As at 31 March 2023
I. ASSETS			
Financial assets			
Cash and cash equivalents	3.01	201.89	0.99
Investments	3.02	1.49	-
Other financial assets	3.03	65.82	22.55
		269.20	**23.54**
Non-financial assets			
Current tax assets (net)	3.04	3.02	-
Deferred tax assets (net)	3.05	66.85	4.33
Other non-financial assets	3.06	17.47	0.18
Property, plant and equipment	3.07	82.35	-
		169.69	**4.51**
TOTAL ASSETS		**438.89**	**28.05**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	3.08		
(i) total outstanding to micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		281.11	34.39
Other financial liabilities	3.09	144.39	4.50
		425.50	**38.89**
Non-financial liabilities			
Other non-financial liabilities	3.10	11.22	1.07
		11.22	**1.07**
TOTAL LIABILITIES		**436.72**	**39.96**
Equity			
Equity share capital	3.11	201.00	1.00
Other equity	3.12	(198.83)	(12.91)
TOTAL EQUITY		**2.17**	**(11.91)**
TOTAL LIABILITIES AND EQUITY		**438.89**	**28.05**
Notes forming part of the financial statements	1 to 5.08		

As per our report of even date attached

For **G D Apte & Co.**
Chartered Accountants
ICAI Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No. 113053

G. D. APTE & CO. ★ Chartered Accountants ★

Place: Pune
Date: 03 May 2024

For and on behalf of the Board of Directors of
Arka Investment Advisory Services Private Limited

Amit Kumar Gupta
Director
DIN: 09554092

Sonit Singh
Director
DIN: 09554253

Place: Mumbai
Date: 03 May 2024

Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

Particulars	Note No	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	4.01		
Interest income		1.62	-
Fees and commission income		52.54	-
Revenue from operations		**54.16**	-
Other income		-	-
Total income		**54.16**	-
Expenses			
Finance costs	4.02	10.79	-
Employee benefits expenses	4.03	128.77	13.19
Depreciation, amortisation and impairment expenses	4.04	32.94	-
Other expenses	4.05	130.10	4.03
Total expenses		**302.60**	**17.22**
Profit / (loss) before tax		**(248.44)**	**(17.22)**
Tax expense:	4.06		
1. Current tax		-	-
2. Deferred tax charge /(credit)		(62.53)	(4.33)
Total tax expenses		**(62.53)**	**(4.33)**
Profit / (Loss) after tax		**(185.91)**	**(12.89)**
Other comprehensive income			
Items that will not be reclassified to profit and loss		-	
Items that will be reclassified to profit and loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (Loss) for the period		**(185.91)**	**(12.89)**
Earnings / (Loss) per equity share	5.01		
Basic Earnings / (loss) per share (₹)		(15.55)	(139.63)
Diluted Earnings / (loss) per share (₹)		(15.55)	(139.63)
(Equity Share of face value of ₹ 10 each)			
Notes forming part of the financial statements	1 to 5.08		

As per our report of even date attached

For **G D Apte & Co.**
Chartered Accountants
ICAI Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No. 113053

G. D. APTE & CO. ★ Chartered Accountants ★

Place: Pune
Date: 03 May 2024

For and on behalf of the Board of Directors of
Arka Investment Advisory Services Private Limited

Amit Kumar Gupta
Director
DIN: 09554092

Sonit Singh
Director
DIN: 09554253

Place: Mumbai
Date: 03 May 2024

Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash Flow from Operating Activities		
Net profit / (loss) before tax	(248 44)	(17 22)
Adjustments for :		
Add:		
Depreciation and amortisation	32 94	-
Finance cost	10 79	-
	43.73	-
Less:		
Interest income on security deposit	1 62	-
	1.62	-
Operating profit / (loss) before working capital changes	**(206.33)**	**(17.22)**
Adjustments:		
(Increase) / Decrease in Other financial assets	(48 07)	(22 55)
(Increase) / Decrease in Other non-financial assets	(17 28)	(0 18)
Increase/(Decrease) in trade payable	246 71	34 39
Increase/(Decrease) in Other financial liabilities	31 50	4 50
Increase/(Decrease) in Other non-financial liabilities	10 15	1 07
Cash generated / (used) in operating activities	**16.68**	**0.01**
Direct taxes paid	(3 02)	-
Net cash generated from / (used in) operating activities (A)	**13.66**	**0.01**
B Cash flows from investing activities		
Payments on purchase of investment	(1 49)	-
Net cash generated from / (used in) investing activities (B)	**(1.49)**	**-**
C Cash Flow from Financing Activities		
Proceeds from issue of equity share capital (including securities premium)	200 00	1 00
Stamp duty paid on issue of equity shares	-	(0 02)
Lease Liability Paid	(11 27)	-
Net cash generated from / (used in) financing activities (C)	**188.73**	**0.98**
Net Increase / (Decrease) in cash and cash equivalents (A) + (B) + (C)	**200.90**	**0.99**
Cash and Cash Equivalents at the beginning of the year	**0.99**	**-**
Cash and Cash Equivalents at the end of the year	**201.89**	**0.99**
Reconciliation of cash and cash equivalents with the balance sheet		
Balances with banks		
- in current accounts	201 89	0 99
Deposits with original maturity of less than three months	-	-
Total	**201.89**	**0.99**

As per our report of even date attached

For **G D Apte & Co.**
Chartered Accountants
ICAI Firm Registration No 100515W

Umesh S. Abhyankar
Partner
Membership No 113053

Place Pune
Date 03 May 2024

G. D. APTE & CO. Chartered Accountants

For and on behalf of the Board of Directors of
Arka Investment Advisory Services Private Limited

Amit Kumar Gupta
Director
DIN 09554092

Sonit Singh
Director
DIN 09554253

Place Mumbai
Date 03 May 2024

Arka Investment Advisory Services Private Limited

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian Rupees in Lakhs)

(a) Equity Share Capital (Note 3.10)

Equity Shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount
Balance as at 01 April 2022	-	-
Shares issued during the year	10,000	1.00
Balance as at 31 March 2023	**10,000**	**1.00**
Balance as at 01 April 2023	10,000	1.00
Shares issued during the period	20,00,000	200.00
Balance as at 31 March 2024	**20,10,000**	**201.00**

(b) Other equity (Note 3.11)

Particulars	Reserves and surplus		Total
	Statutory Reserve U/s 45IC	Retained Earnings	
Balance at 01 April 2022	-	-	-
Profit for the year	-	(12.89)	(12.89)
Other comprehensive income for the year	-	-	-
Total	-	**(12.89)**	**(12.89)**
Transferred from Retained earnings	-	-	-
Stamp duty paid on equity issue	-	(0.02)	(0.02)
Balance at 31 March 2023	-	**(12.91)**	**(12.91)**
Balance at 01 April, 2023	-	**(12.91)**	**(12.91)**
Profit for the year	-	(185.91)	(185.91)
Other comprehensive income for the year	-	-	-
Total	-	**(198.82)**	**(198.82)**
Transferred from Retained earnings	-	-	-
Expenses on issue of equity shares	-	-	-
Balance as at 31 March 2024	-	**(198.82)**	**(198.82)**

Notes forming part of the financial statements 1 to 5.08

As per our report of even date attached

For **G D Apte & Co.**
Chartered Accountants
ICAI Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No. 113053

For and on behalf of the Board of Directors of
Arka Investment Advisory Services Private Limited

Amit Kumar Gupta
Director
DIN: 09554092

Sonit Singh
Director
DIN: 09554253

G. D. APTE & CO. ★ Chartered Accountants ★

Place: Pune
Date: 03 May 2024

Place: Mumbai
Date: 03 May 2024

Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

1. Corporate Information

Arka Investment Advisory Services Private Limited (the 'Company') was incorporated on 30 March 2022. The Company is wholly owned subsidiary of Arka Financial Holdings Private Limited operating as Investment Manager of Arka Credit Fund.

2 Material Accounting Policy Information

2.01 Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment. Any application guidance/clarifications/ directions issued by relevant regulators are implemented as and when they are issued/ applicable.

2.02 Basis of preparation

The financial statement comprises of the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income / (loss), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has assessed its liquidity position and its possible sources of funds. The Board of Directors of the Company are confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2.03 Basis of measurement

The financial statements have been prepared on an accrual basis under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant standards under Ind AS in the case of certain financial assets and liabilities, net defined benefit (asset)/ liability and share based payments.

2.04 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS.

2.05 Functional Currency

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to nearest Rupee in Lakhs with two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

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(Currency : Indian Rupees in lakhs)

2.06 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

2.06.A Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets. Investments in subsidiary is recognised at cost.

The financial assets include investments in equity of Subsidiary Company, trade and other receivables, loans and advances and cash and bank balances.

ii) Subsequent measurement

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

• At amortised cost,
• At fair value through other comprehensive income (FVOCI), and
• At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
• The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if:
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Fair value through other comprehensive income (FVOCI)

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, 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.

After initial measurement, such financial assets, until they are derecognised or reclassified, are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income except for interest income, impairment gains or losses and foreign exchange gains and losses which are recognised in the statement of profit and loss.

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Fair value through Profit and Loss (FVTPL)

A financial asset is measured at fair value through profit or loss unless it is measured at Amortised cost or at fair value through other comprehensive income.

In addition, the Company may elect to classify a financial asset, which otherwise meets Amortised cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

After initial measurement, such financial assets are subsequently measured at fair value with unrealised gains or losses recognised in the statement of profit and loss.

iii) Reclassifications

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The following are various reclassifications and how they are accounted for.

Reclassification from Amortised cost to FVTPL : Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of Profit and loss.

Reclassification from FVTPL to Amortised cost : Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

Reclassification from Amortised cost to FVOCI : Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

Reclassification from FVOCI to Amortised cost : Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Reclassification from FVTPL to FVOCI : Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

Reclassification from FVOCI to FVTPL : Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

iv) Impairment of financial assets

Expected Credit Loss (ECL) principles

The provision for credit risks, which is recognized in accordance with the expected credit loss method specified by Ind AS 109 and in accordance with uniform standards applied, encompasses all financial assets measured at amortised cost. The calculation of the provision for credit risks generally takes into account the exposure at default, the probability of default and the loss given default.

Financial assets are subject to credit risks, which are taken into account by recognising the amount of the expected loss; such allowances are recognised for both financial assets with objective evidence of impairment and non-impaired financial assets.

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The general approach is used for financial assets measured at amortised cost on initial recognition. Financial assets are broken down into three stages in the general approach.

Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all advances upto 30 days overdue under this category.

Stage 2: All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Exposures are classified as Stage 2 when the amount is due for more than 30 days but do not exceed 90 days.

Stage 3: All exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Exposures where the amount remains due for 90 days or more are considered as to be stage 3 assets.

The Company undertakes the classification of exposures within the aforesaid stages at each borrower account level.

Impairment arises in a number of situations, such as delayed payment over a certain period, the initiation of enforcement measures, the threat of insolvency or over indebtedness, application for or the initiation of insolvency proceedings, or the failure of restructuring measures.

Reviews are regularly carried out to ensure that the allowances are appropriate. Uncollectible loans or receivables that are already subject to a workout process and for which all collateral has been recovered and all further options for recovering the loan or receivable have been exhausted are written off directly. Any valuation allowances previously recognised are utilised. Income subsequently collected in connection with loans or receivables already written off is recognised in profit or loss.

Loans and receivables are reported in the balance sheet at the net off ECL provision. The provision for credit risks relating to off-balance sheet irrevocable credit commitments is recognised as ECL provision and shown under provisions on liability side.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:
Exposure-At-Default (EAD): The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Probability of Default (PD): The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon.

Loss Given Default (LGD): The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

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Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. Lifetime ECL is applied on stage 2 and stage 3 assets.

The Company compute the ECL allowance on individual basis based on type of asset/exposure and nature of collateral.

2.06.B Financial liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities. The financial liabilities include trade and other payables and loans and borrowings etc.

ii) Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified and measured as follows.

ii.a) Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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.

ii.b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.06.C De-recognition

a) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual rights to the cash flows from the financial asset expire,

Or

- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b). Derecognition of financial liabilities

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

2.06.D Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.06.E Fair value measurement

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.

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. Management regularly reviews significant unobservable inputs and valuation adjustments.

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 takes into account 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 market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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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.

2.06.F Modification of financial assets and financial liabilities

Financial Assets

If the terms of a financial assets are modified, the Company evaluates whether the cash flow of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cashflows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the Statement of profit and loss. Any costs or fees incurred adjust the carrying amount of modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses, in other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of profit and loss.

2.07 Share capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

2.08 Cash and Cash equivalents

Cash comprises cash on hand, cash at bank and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

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Arka Investment Advisory Services Private Limited

(Currency : Indian Rupees in lakhs)

2.09 Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using incremental borrowing rates of the Company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liabilities are remeasured at fair value at the balance sheet date with the corresponding impact considered in the statement of profit and loss as interest charge/ income.

Lease liability and ROU asset have been separately presented in the Balance Sheet..

2.10 Impairment of non-financial assets

Non-financial assets are tested 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 levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Provisions

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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2.12 Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

2.13 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.14 Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in OCI.

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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(Currency : Indian Rupees in lakhs)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Segment Reporting

The Company is primarily operating as Investment Manager of Arka Credit Fund and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.

2.16 Revenue Recognition

Recognition of Interest income

• Interest income and expense presented in statement of profit and loss includes interest on financial assets and liabilities measured at amortised cost calculated on an effective interest basis. Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. The amortization of income and expenses for financial assets under EIR approach is done on a systematic basis that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset.

• The interest income is calculated by applying the EIR to the gross carrying amount of non-credit imparied financial assets. (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-imparied financial assets the interest income is calculated applying the EIR to the amortised cost of the credit-impaired financial asset (i.e. the gross carrying amount less the allowances for ECLs).

Recognition of Profit/loss on sale of investments

Profit/loss on sale of investments is recognised on trade date basis. Profit/loss on sale of mutual fund units is determined based on the first in first out (FIFO) method.

Net gain/(loss) on Fair value changes:

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as a Fair value gain or loss as a gain or expense respectively.

2.17 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 and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated. Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

2.18 Critical Accounting Estimates and Judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the futureperiods.

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(Currency : Indian Rupees in lakhs)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A. Recognition of deferred tax assets for carried forward tax losses

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. 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 utilized.

B. Fair value of financial instrument

The fair value of financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note - 5.02.

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ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

NOTE 3.01 : Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	-	-
Balances with banks		
- in current accounts	201.89	0.99
	201.89	**0.99**

NOTE 3.02 : Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Equity Instruments of others (FVTOCI)*		
Kirloskar Proprietary Ltd	1.49	-
	1.49	-

* Investment in equity of others (FVTOCI) represents 1 full paid equity shares of Kirloskar Proprietary Ltd (Face Value Rs. 100). In the opinion of Management, the fair value on acquisition approximates the fair value as at March 31, 2024.

NOTE 3.03 : Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposit	17.75	22.55
Sundry Receivables (considered good)	48.07	-
	65.82	**22.55**

NOTE 3.04 : Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance Tax (net of provision for tax)	3.02	-
	3.02	-

NOTE 3.05 : Deferred tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Tax Assets		
Preliminary Expenses u/s 35D of Income tax Act, 1961	-	-
Business losses carried forward	66.85	4.33
Total (A)	**66.85**	**4.33**
Deferred tax liability (B)		
Net deferred tax asset (A-B)	**66.85**	**4.33**

NOTE 3.06 : Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	0.37	-
Advance to suppliers	0.16	0.16
GST receivable (net)	16.94	0.02
	17.47	**0.18**

G. D. APTE & CO. ★ Chartered Accountants ★

Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency : Indian Rupees in Lakhs)

NOTE 3.07 : Property, plant and equipment

Particulars	Right of use Building	Total
Cost as at 31 March 2023	-	-
Additions	115.29	115.29
Disposals	-	-
Cost as at 31 March 2024	**115.29**	**115.29**
Accumulated depreciation as at 31 March 2023	-	-
Depreciation charged during the year	32.94	32.94
Disposals	-	-
Accumulated depreciation as at 31 March 2024	**32.94**	**32.94**
Net carrying amount as at 31 March 2023	-	-
Net carrying amount as at 31 March 2024	**82.35**	**82.35**

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Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

NOTE 3.08 : Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to Micro, small and medium enterprises	-	-
Dues to Others	281.11	34.39
	281.11	**34.39**

NOTE 3.09 : Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Employee benefits payable	36.00	4.50
Lease obligation	108.39	-
	144.39	**4.50**

NOTE 3.10 : Other non-financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	11.22	1.07
Advances from Customers	-	-
	11.22	**1.07**

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ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

NOTE 3.11 : Equity share capital

a. Details of authorised, issued and subscribed share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised capital				
Equity shares of ₹10/- each	21,80,000	218.00	1,00,000	10.00
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each fully paid	20,10,000	201.00	10,000	1.00
Total	**20,10,000**	**201.00**	**10,000**	**1.00**

b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	10,000	1.00	-	-
Add: Shares issued during the year	20,00,000	200.00	10,000	1
Less: Shares bought back during the year	-	-	-	-
Total	**20,10,000**	**201.00**	**10,000**	**1**

c. Particulars of shares held by holding Company / Promotors

Name of Shareholder	Relationship	As at 31 March 2024		As at 31 March 2023	
		No of equity shares held	Percentage	No of equity shares held	Percentage
Arka Financial Holdings Private Limited	Holding Company	**20,10,000**	**100%**	**10,000**	**100%**

* Number of shares include 1 shares held by nominee shareholders on behalf of Arka Financial Holdings Private Limited

d. Particulars of shareholders holding more than 5% of the share capital

Name of Shareholder	Relationship	As at 31 March 2024		As at 31 March 2023	
		No of equity shares held	Percentage	No of equity shares held	Percentage
Arka Financial Holdings Private Limited	Holding Company	20,10,000	100%	10,000	100%

e. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to proportionate vote on basis of his contribution to fully paid up share capital. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the proportionate amount of contribution made by the equity shareholder to the total equity share capital.

G. D. APTE & CO. Chartered Accountants

Arka Investment Advisory Services Private Limited

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

NOTE 3.12 : Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings	(198.83)	(12.91)
	(198.83)	**(12.91)**

3.12.A Other equity movement

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Opening Balance	(12.91)	-
Add: Profit / (Loss) for the year	(185.91)	(12.89)
Add: Other Comprehensive income	-	-
Less: Expenses on equity issue	-	(0.02)
Closing Balance	**(198.83)**	**(12.91)**

NOTE 4.01 : Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on Deposits		
- Security deposits	1.62	-
Fees and commission income		
- Management Fee Income	52.54	-
	54.16	-

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ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

NOTE 4.02 : Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost:		
Interest expense on borrowings		
Interest on lease liability	10.79	-
	10.79	-

NOTE 4.03 : Employee benefit expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, other allowances and bonus	126.54	12.90
Contribution to provident and other funds	2.23	0.29
	128.77	**13.19**

NOTE 4.04 : Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment	32.94	-
	32.94	-

NOTE 4.05 : Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent	1.40	-
Resource Sharing Expenses	28.94	-
Rates and taxes	-	1.00
Advertisement & Marketing Expenses	32.10	-
Other repairs and maintenance	4.70	-
Travelling and conveyance	2.09	0.02
Printing and stationery	-	0.26
Professional charges	11.52	0.51
Set-up Cost related to Funds	10.68	-
Operating expenses related to Funds	32.48	-
Bank Charges	0.02	0.01
Auditor's remuneration	2.10	2.10
Technology expenses	0.15	-
Electricity charges	0.14	-
ROC Expenses	0.08	0.09
GST expenses	-	0.04
Stamp duty	3.01	-
Housekeeping and security charges	0.69	-
	130.10	**4.03**
Payment to auditor includes:		
a) as statutory auditors	2.00	2.00
b) for certification related matters	0.10	0.10
c) for other services	-	-
Total	**2.10**	**2.10**

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Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

NOTE 4.06 : Income Tax

(a) Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense		
Current income tax	-	-
	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(62.53)	(4.33)
	(62.53)	**(4.33)**
Tax expense reported in the statement of profit and loss	**(62.53)**	**(4.33)**

(b) Reconciliation of tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit / (Loss) before income tax expense	(248.44)	(17.22)
Tax @ 25.168%	**(62.53)**	**(4.34)**
Difference in tax rate due to:		
- Effect of non-deductible expenses	-	0.01
Stamp duty paid on Equity issue	-	0.01
Total Tax Expenses	**(62.53)**	**(4.33)**
Effective tax rate	**25.17%**	**25.15%**

G. D. APTE & CO. Chartered Accountants

Arka Investment Advisory Services Private Limited

(Currency Indian Rupees in Lakhs)

NOTE 5.01 : Earnings per share (EPS)

Basic EPS calculated by dividing the net profit / (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit / (loss) attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
I.	**Profit (Loss) attributable to equity holders (A)**		
	Profit / (Loss) attributable to equity holders for basic and diluted EPS	(185.91)	(12.89)
II.	**Weighted average number of equity shares for calculating Basic EPS (B)**	11,95,792	9,233
III.	**Weighted average number of equity shares for calculating Diluted EPS (C)**	11,95,792	9,233
IV.	**Basic earnings / (loss) per share (₹)**	(15.55)	(139.63)
V.	**Diluted earnings / (loss) per share (₹)**	(15.55)	(139.63)

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Arka Investment Advisory Services Private Limited ★

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

NOTE 5.02 : Related Party Disclosures

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Related Parties Relationship

(i) Name of the Related party and nature of relationship where control exists:

Sr. No.	Related Party Category	Company Name
1	Ultimate Holding Company	Kirloskar Oil Engines Limited
2	Holding Company	Arka Financial Holdings Private Limited
3	Subsidiary Company of Holding Company	Arka Fincap Limited
4	Subsidiary Company of Ultimate Holding Company	La-Gajjar Machineries Private Limited
		Optiqua Pipes and Electricals Private Limited
		Kirloskar Americas Corp. USA
		Engines LPG, LLC dba Wildcat Power Gen
5	Entity under same group	Arka Credit Fund I
6	Joint Venture of KOEL Group	ESVA Pumps India Private Limited

(ii) Key Management Personnel of Holding Company and their relatives:

Name of KMPs	Name of Relatives of KMPs	Relationship
Vimal Bhandari (Managing Director)	Vibha V. Bhandari	Wife
	Vatsal V Bhandari	Son
	Shivani Bhandari	Son's Wife
	Vandini V Bhandari	Daughter
	Shree Krishna M Gupta	Daughter's Husband
	Pushpa Bhandari	Mother
	Ashok Bhandari	Brother
	Asha Singhvi	Sister
	Vibha Doshi	Sister
	Jayashree Mehta	Sister

(iii) Key Management Personnel of Ultimate Holding Company and their relatives:

Name of KMPs	Name of Relatives of KMPs	Relationship
Atul C. Kirloskar (upto 31 March 2023)	Arti A. Kirloskar	Wife
	Gauri A. Kirloskar (Kolenaty)	Daughter
	Aditi A. Kirloskar (Sahni)	Daughter
	Rahul C. Kirloskar	Brother
	Suman C. Kirloskar	Mother
Gauri Kirloskar (w.e.f. 20 May 2022)	Arti A. Kirloskar	Mother
	Atul C. Kirloskar	Father
	Aditi A. Kirloskar (Sahni)	Sister
	Christopher Kolenaty	Husband
	Maya Kolenaty	Daughter
	Pia Kolenaty	Daughter

G. D. APTE & CO. Chartered Accountants

Arka Investment Advisory Services Private Limited

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

B. Transactions with Related Parties

Sr. No.	Nature of the transaction / relationship / major parties	2023-24		2022-23	
		Amount	Amount from major parties	Amount	Amount from major parties
1	**Capital Contribution received from Holding Company**	200.00		1.00	
	Arka Financial Holdings Pvt Ltd		200.00		1.00
	Total	**200.00**	**200.00**	**1.00**	**1.00**
2	**Purchase of Equity Shares of Kirloskar Proprietary Ltd From**	1.49		0.00	
	Arka Financial Holdings Pvt Ltd		1.49		0.00
	Total	**1.49**	**1.49**	**0.00**	**0.00**
3	**Reimbursement of expenses paid/payable to Subsidiary**	57.51		0.00	
	Arka Fincap Limited		57.51		0.00
	Total	**57.51**	**57.51**	**0.00**	**0.00**
4	**Payments done by Subsidiary Company of Holding Company**	171.00		32.37	
	Arka Fincap Limited		171.00		32.37
	Total	**171.00**	**171.00**	**32.37**	**32.37**
5	**Transactions with Entity under same group**				
	Arka Credit Fund I	79.68		0.00	
	Management Fee Income		59.49		0.00
	Recovery of Operating Expenses		20.19		0.00
	Total	**79.68**	**79.68**	**0.00**	**0.00**
Balances with related parties					
1	**Payable to Subsidiary Company of Holding Company**	260.88		32.37	
	Arka Fincap Limited		260.88		32.37
	Total	**260.88**	**260.88**	**32.37**	**32.37**
2	**Receivable from Entity under same group**	48.07		0.00	
	Arka Credit Fund I		48.07		0.00
	Total	**48.07**	**48.07**	**0.00**	**0.00**

All amounts are net of TDS and/or GST as applicable.

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

(Currency Indian Rupees in Lakhs)

Note 5.03: Trade Payables aging schedule - 31 March 2024

Particulars		Outstanding for following periods from due date of payment#				
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	281.11	-	-	-	281.11
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Trade Payables aging schedule - 31 March 2023

Particulars		Outstanding for following periods from due date of payment#				
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	34.39	-	-	-	34.39
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Note 5.04: Leases

Where the Company is a lessee

The Ministry of Corporate Affairs (MCA) notified Ind AS 116, the new leases accounting standard on 30 March 2019. Ind AS 116 come into force on 1 April 2019.

Ind AS 116 have replaced the previous guidance in Ind AS 17, 'Leases'. Ind AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Ind AS 116 requires lessees to recognize assets and liabilities arising from all leases (except for short-term leases and leases of low-value assets) in the Balance sheet. The Company have capitalised all assets currently held under operating leases. Operating lease expenses have been replaced by a depreciation expense on Right of Use assets recognised and an interest expense as the incremental borrowing rate in the lease liabilities unwinds.

Disclosures as required by Ind AS 116 'Leases' are given below:

(A) Lease liability movement

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liability at begnning of the year	-	-
Add: Interest on lease liability	10.83	-
Add: Lease liability recognised during the year	108.88	-
Less: Lease rental payments	(11.32)	-
Less: Lease liability de-recognised during the year	-	-
Lease liability at the end of the year	108.39	-

(B) Future lease cashflow for all leased assets

Particulars	As at 31 March 2024	As at 31 March 2023
Minimum Lease Payments:		
Not later than one year	47.32	-
Later than one year but not later than five years	75.28	-
Later than five years	-	-

(C) Maturity analysis of lease liability

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liability:		
Less than 12 months	38.58	-
More than 12 months	69.81	-

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Arka Investment Advisory Services Private Limited ★

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency: Indian Rupees in Lakhs)

NOTE 5.05 : Financial instruments – Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

The following table shows the carrying amounts and fair values of financial assets:

Sr. No.	Particulars	At Cost	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	As at 31 March 2024	As at 31 March 2023
1	Financial Assets:						
	Investment in Kirloskar Proprietary Ltd				1.49	1.49	-

NOTE 5.06 : Contingent liabilities and Commitments

There are no contingent liabilities or commintments as at 31 March 2024.

NOTE 5.07 : Dues to Micro, Small and Medium enterprises as per MSMED Act, 2006

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises, as no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Particulars		As at 31 March 2024	As at 31 March 2023
a.	Principal and interest amount remaining unpaid	-	-
b.	Interest due thereon remaining unpaid	-	-
c.	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-
e.	Interest accrued and remaining unpaid	-	-
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

NOTE 5.08 : Other Notes

5.08 (i): Business Activities

The Company is acting as Investment Manager for the purpose of Management of funds and undertaking Advisory business.

5.08 (ii): Relationship with struck off companies

The company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

5.08 (iii): Note on Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Company's capital structure completely comprises of equity component. No changes were made in the objectives, policies or processes for managing capital during the current period.

5.08 (iv): Financial Risk Managment:

The Company's activities exposes it to liquidity risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk mitigation actions on a continuing basis.

Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. The flexibility in funding requirements is met by ensuring availability of adequate inflows which is mainly sourced through equity capital contribution by the Holding Company. The Company had no outstanding bank borrowings as on March 31, 2024.

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(Currency Indian Rupees in Lakhs)

5.08 (v): Events after reporting period

According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to, in these Financial Statements as at 31 March 2024

5.08 (vi): Benami properties:

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

As per our report of even date attached
For **G D Apte & Co.**
Chartered Accountants
ICAI Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No. 113053

Place: Pune
Date: 03 May 2024

For and on behalf of the Board of Directors of
Arka Investment Advisory Services Private Limited

Amit Kumar Gupta
Director
DIN: 09554092

Sonit Singh
Director
DIN: 09554253

Place: Mumbai
Date: 03 May 2024

G. D. APTE & CO. ★ Chartered Accountants ★

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