INDEPENDENT AUDITOR'S REPORT

To the Members of Arka Investment Advisory Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Arka Investment Advisory Services Private Limited ('the Company'), which comprise the balance sheet as at 31st March, 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements 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 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 ('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 on the Financial Statements.

Information Other than the 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.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Board of Directors report is expected to be made available to us after the date of this auditor's report. When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by Management and Board of Directors.

- Conclude on the appropriateness of Board of Director'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 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 Financial Statements, including the disclosures, and whether the 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.

Other Matter

The Financial Statements include comparative financial figures of the Company for the year ended 31st March, 2025, which have been audited by the predecessor auditor whose report dated 02nd May, 2025 expressed an unmodified opinion on those Financial Statements.

Our opinion on the Financial Statements is not modified in respect of this matter.

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 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, and rules made thereunder, as applicable.

e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

g) 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.

   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 due to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2026 which has a 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, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

3) 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 31st March, 2026.

For **Sudit K. Parekh & Co. LLP**
Chartered Accountants
Firm Registration No. 110512W/W100378
NEMISH BHARATKUMAR KAPADIA
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Date: 2026.05.04 22:27:41 +05'30'
Nemish Kapadia
Partner
Membership No. 111929
ICAI UDIN No: 26111929NCCRLT5968
Place: Mumbai
Date: 04th May, 2026

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of the Company)

i. (a) (A) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company does not hold any Property, Plant and Equipment including right-of-use assets covered under Ind AS 116, ‘Leases’. Accordingly, reporting under paragraph 3(i)(a)(A) of the Order is not applicable to the Company.

   (a)(B) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company does not hold any intangible assets. Accordingly, paragraph 3(i)(a)(B) of the Order is not applicable to the Company.

   (b) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company does not hold any Property, Plant and equipment. Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company.

   (c) According to information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company does not hold any immovable properties either as owner or as lessee. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the company does not hold any Property, Plant and equipment. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company.

   (e) According to the Information and explanations provided to us and based on our audit procedures, we are of the opinion that there are no proceedings being 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) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the nature of Company’s business is such that the Company does not hold any inventory. Accordingly, paragraph 3(ii)a of the Order is not applicable to the Company.

   (b) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from any of the banks or financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the Company has not made investment or provided any guarantee or security or has granted any loan or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company has not granted any loan or provided any security or guarantee to any of its directors, or to any other person in whom the director is interested during the year. Further the Company has not made any investments and has not provided any loan or guarantee or security in connection therewith to any person or body corporate during the year. Hence, provisions of section 185 and 186 of the Act are not applicable to the Company. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

v. According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that 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 thereunder 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. According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for any of the services of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations provided to us and based on our audit procedures and our examination of the records of the Company, we are of the opinion that the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income-tax, goods and service tax and other material statutory dues applicable to the Company. As per the records of the Company, as at 31st March, 2026, the Company does not have any undisputed statutory dues which are outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations provided to us and based on our audit procedures and our examination of the records of the Company, we are of the opinion that the Company does not have any dues as at 31st March, 2026 as referred to in subclause (a) above which have not been deposited on account of any dispute. Accordingly, paragraph 3(vii)(b) of the Order is not applicable to the Company.

viii. According to the information and explanation provided to us and based on our audit procedures and our examination of the records of the Company, we are of the opinion that there have been no transactions unrecorded in the books of account that have been surrendered or disclosed as income during the year, in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix. (a) According to the information and explanations provided to us and based on our audit procedures and the records of the Company, the Company has not availed any loan from any financial institution, bank, government, debenture holders or any other lenders. Accordingly, paragraph 3 (ix)(a) of the Order is not applicable to the Company.

(b)According to the information and explanations given to us and on the based on our audit procedures, we are of the opinion that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company has not availed for any term loan. Accordingly, paragraph 3(ix)c of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on our audit procedures, and on an overall examination of the financial statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the Company does not have any Subsidiaries, Associates or Joint Ventures. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the Company does not have any Subsidiaries, Associates or Joint Ventures. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us and based on our audit procedures, we are of the opinion that the Company has not raised money by way of initial public offer/ further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations provided to us and based on our audit procedures and records of the Company, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year.

xi. (a) According to the information and explanations provided to us and based on our audit procedures and the records produced to us for the purpose of reporting the true and fair view of the financial statements of the Company, we have not come across any instance of fraud by the Company or any fraud on the Company during the year. Accordingly, paragraph 3(xi(a)) of the Order is not applicable to the Company.

(b) According to the information and explanations provided to us and based on our audit procedures, in our opinion, no report under sub-section (12) of section 143 of the Act has been filed by auditors in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As per the information and explanation provided by the Company, there are no whistle-blower complaints received during the year by the Company.

xii. According to the information and explanations provided to us and based on our audit procedures, in our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations provided to us and based on our audit procedures and records of the Company, we are of the opinion that the transactions with related parties undertaken by the Company during the year, are in accordance with the provisions of section 188 of the Act to the extent applicable. To the best of our knowledge, the provisions of section 177 of the Act are not applicable to the Company. The details in respect of such transactions to the extent required have been disclosed in the financial statements, as per the applicable accounting standard.

xiv. According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company is not required to have internal audit as per provisions of the Act and accordingly paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our audit procedures, we are of the opinion that during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the provisions of section 192 of the Act are not applicable to the Company.

xvi. (a) As per information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company is not required to obtain any registration under section 45-IA of the Reserve Bank of India Act, 1934.

(b) According to the information and explanations provided to us and based on our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activity as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) (b) of the Order is not applicable to the Company.

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India (RBI). Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Group has two Core Investment Companies (CICs) which are not required to be registered with the Reserve Bank of India.

xvii. According to the information and explanations provided to us and based on our audit procedures, we are of the opinion that the Company has incurred cash losses in the preceding financial year 2024-25 amounting to Rs. 347.46 lakhs and during the current financial year amounting to Rs.36.05 lakhs.

xviii. There has been resignation of the statutory auditors during the year and there have been no issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and based on our audit procedures 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 opine 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. According to the information and explanations provided to us and based on our audit procedures, section 135 of the Act is not applicable to the Company. Accordingly, paragraph (xx)(a) and (b) of the Order are not applicable to the Company.

For **Sudit K. Parekh & Co. LLP**
Chartered Accountants
Firm Registration No. 110512W/W100378
NEMISH BHARATKUMAR KAPADIA
Digitally signed by NEMISH BHARATKUMAR KAPADIA
Date: 2026.05.04 22:28:05 +05'30'
Nemish Kapadia
Partner
Membership No. 111929
ICAI UDIN No: 26111929NCCRLT5968
Place: Mumbai
Date: 04th May, 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Arka Investment Advisory Services Private Limited)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls with reference to the Financial Statements of Arka Investment Advisory Services Private Limited ("the Company") as of 31st March, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls reference to the Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls reference to the Financial Statements to future periods are subject to the risk that the internal financial control reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at 31st March, 2026, based on the internal control with reference to the Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“the ICAI”).

For **Sudit K. Parekh & Co. LLP**
Chartered Accountants
Firm Registration No. 110512W/W100378
NEMISH BHARATKUMAR KAPADIA
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Date: 2026.05.04 22:28:38 +05'30'
Nemish Kapadia
Partner
Membership No. 111929
ICAI UDIN No: 26111929NCCRLT5968
Place: Mumbai
Date: 04th May, 2026

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)
Balance Sheet as at 31 March 2026
(Currency : Indian Rupees in crores)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
I. Non-current assets		**0.48**	**37.36**
(a) Financial assets			
(i) Investments	3.01	-	36.72
(ii) Other financial assets	3.02	-	0.22
(b) Other Non Current Assets	3.03A	0.48	0.42
II.Current assets		**2.56**	**7.01**
(a) Financial assets			
(i) Trade receivables	3.04	-	0.35
(ii) Cash and cash equivalents	3.05	0.06	6.12
(iii) Bank balances other than (ii) above	3.06	2.23	-
(b) Current tax assets (net)	3.03B	0.27	0.54
Total Assets		**3.04**	**44.37**
EQUITY AND LIABILITIES			
Equity		**2.85**	**3.15**
(a) Equity share capital	3.07	9.52	9.52
(b) Other equity	3.08	(6.67)	(6.37)
Liabilities			
I. Non-current liabilities		**-**	**35.30**
(a) Financial liabilities			
(i) Borrowings	3.09	-	35.30
II.Current liabilities		**0.19**	**5.92**
(a) Financial liabilities			
(i) Borrowings	3.10	-	5.00
(ii) Trade payables	3.11		
- total outstanding to micro and small enterprises		-	0.02
- total outstanding dues of creditors other than micro and small enterprises		0.16	0.39
(iii) Other financial liabilities	3.12	0.01	0.38
(b) Other current liabilities	3.13	0.02	0.13
Total Equity and Liabilities		**3.04**	**44.37**

Notes forming part of the financial statements 1 to 5.11

As per our report of even date attached
For Sudit K. Parekh & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 110512W/W100378
NEMISH BHARATKUMAR KAPADIA
Digitally signed by NEMISH BHARATKUMAR KAPADIA Date: 2026.05.04 22:22:21 +05'30'
Nemish Kapadia
Partner
Membership No. 111929

Place: Mumbai
Date: 04 May 2026

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

ANAND BANG
Digitally signed by ANAND BANG Date: 2026.05.04 21:24:00 +05'30'
Anand Bang
Director
DIN: 11068949
Place: Mumbai

GEORGE VERGHESE
Digitally signed by GEORGE VERGHESE Date: 2026.05.04 20:21:16 +05'30'
George Verghese
Director
DIN: 11068946
Place: Pune

Date: 04 May 2026

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)
Statement of profit and loss for the year ended 31 March 2026
(Currency : Indian Rupees in crores)

Particulars	Note No.	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	4.01	2.62	5.63
Other income	4.02	0.11	0.26
Total Income		**2.73**	**5.89**
Expenses			
Employee benefits expense	4.03	0.93	2.06
Finance costs	4.04	1.30	5.29
Depreciation and amortisation expense	4.05	-	0.33
Other Expenses	4.06	0.79	1.85
Total expenses		**3.02**	**9.53**
Profit before exceptional items and tax		**(0.29)**	**(3.64)**
Exceptional items		-	-
Profit before tax		**(0.29)**	**(3.64)**
Tax expense		**-**	**0.67**
Current tax		-	-
Deferred tax benefit		-	0.67
Profit / (Loss) for the period		**(0.29)**	**(4.31)**
Other comprehensive income			
Net gain / (loss) on FVOCI equity instruments		-	(0.01)
Income tax effect on above		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**-**	**(0.01)**
Total other comprehensive income for the period, net of tax		**-**	**(0.01)**
Total comprehensive income / (loss) for the period, net of tax		**(0.29)**	**(4.32)**
Earnings per equity share [nominal value per share Rs.10/-]			
Basic		(0.31)	(15.83)
Diluted		(0.31)	(15.83)

Notes forming part of the financial statements 1 to 5.11

As per our report of even date attached
For Sudit K. Parekh & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 110512W/W100378

NEMISH BHARATKUMAR KAPADIA
Digitally signed by NEMISH BHARATKUMAR KAPADIA
Date: 2026.05.04 22:23:39 +05'30'

Nemish Kapadia
Partner
Membership No. 111929

Place: Mumbai
Date: 04 May 2026

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

ANAND BANG
Digitally signed by ANAND BANG
Date: 2026.05.04 21:24:25 +05'30'

Anand Bang
Director
DIN: 11068949
Place: Mumbai

GEORGE VERGHESE
Digitally signed by GEORGE VERGHESE
Date: 2026.05.04 20:21:48 +05'30'

George Verghese
Director
DIN: 11068946
Place: Pune

Date: 04 May 2026

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)
Statement of cash flows for the period ended 31 March 2026
(Currency : Indian Rupees in crores)

		For the year ended 31 March 2026	For the year ended 31 March 2025
A	**Cash flow from operating activities**		
	Profit /(Loss) before tax	**(0.29)**	**(3.64)**
	Adjustments to reconcile profit before tax to net cash flows:		
	Add:		
	Depreciation and amortisation	-	0.33
	Finance cost	1.30	5.20
	Interest on lease liability	-	0.09
		1.30	**5.61**
	Less:		
	Interest received on fixed deposits	0.06	0.05
	Interest received on Investment in AIF	1.76	4.34
	Profit on sale of investments	0.65	0.19
	Gain on Derecognition of ROU	-	0.23
	Interest income on security deposit	-	0.02
		2.47	**4.84**
	Operating cash flow before working capital changes	**(1.47)**	**(2.86)**
	Add / (Less): Adjustments for working capital changes		
	(Increase) / Decrease in Trade Receivable	0.35	0.13
	(Increase) / Decrease in other non current financial assets	0.22	-
	(Increase) / Decrease in other current assets	(0.05)	(0.25)
	Increase in trade payables	(0.27)	(2.38)
	Increase / (Decrease) in other financial liability	(0.37)	0.02
	Increase / (Decrease) in other current liability	(0.10)	0.02
	Net Cash used in operations	**(1.70)**	**(5.32)**
	Direct taxes paid	0.27	(0.51)
	Net cash used in operating activities - A	**(1.43)**	**(5.83)**
B	**Cash flow from investing activities**		
	Interest received on fixed deposits	0.01	0.05
	Interest received on Investment in AIF	1.76	4.34
	Profit on sale of investments	0.83	-
	Receipt on sale of Investments	36.54	33.40
	Investment in Fixed Deposits with bank (net)	(2.18)	-
	Payments on purchase of investment	-	(69.93)
	Net cash used in investing activities - B	**36.96**	**(32.14)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share capital	-	7.51
	Stamp duty paid on issue of equity shares	-	(0.07)
	Proceeds from issuance of Non-Convertiable Debentures	-	50.00
	Repayment of Non-Convertiable Debentures	(40.47)	(9.44)
	Upfront Interest paid on issuance of Non-Convertiable Debentures	-	(0.38)
	Finance cost paid	(1.12)	(5.09)
	Lease liability paid	-	(0.47)
	Net cash generated from financing activities - C	**(41.59)**	**42.06**
	Net increase (Decrease) in cash and cash equivalents (A+B+C)	**(6.06)**	**4.10**
	Opening Cash and Cash equivalents	**6.12**	**2.02**
	Closing Cash and Cash equivalents *(Refer note 3.05)*	**0.06**	**6.12**

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)
Statement of cash flows for the period ended 31 March 2026
(Currency : Indian Rupees in crores)

Additional disclosure persuant to Ind AS 7

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Opening balance of debt securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	40.30	-
Cash flow (net)	(40.47)	40.56
Non cash changes	0.17	(0.26)
Closing balance of debt securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	**-**	**40.30**

Notes:

1 The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7, "Statement of Cash Flows".

Notes forming part of the financial statements 1 to 5.11

As per our report of even date attached
For Sudit K. Parekh & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 110512W/W100378

NEMISH BHARATKUMAR KAPADIA
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Date: 2026.05.04 22:24:13 +05'30'

Nemish Kapadia
Partner
Membership No. 111929

Place: Mumbai
Date: 04 May 2026

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

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Anand Bang
Director
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Place: Mumbai

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Date: 2026.05.04 20:22:10 +05'30'

George Verghese
Director
DIN: 11068946
Place: Pune

Date: 04 May 2026

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)

Statement of changes in Equity (SOCIE) for the period ended 31 March 2026

(Currency : Indian Rupees in crores)

A. Equity Share Capital (Note 3.07)

Equity Shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount
As at 1 April 2024	**20,10,000**	**2.01**
Shares issued during the period	75,05,000	7.51
At 31 March 2025	**95,15,000**	**9.52**
Issue/Reduction, if any during the period	-	-
As at 31 March 2026	**95,15,000**	**9.52**

B. Other Equity (Note 3.08)

Particulars	Reserves and Surplus	Items of OCI	Total
	Retained Earnings	Equity instruments through other comprehensive income	
As at 01 April 2024	**(1.98)**	**-**	**(1.98)**
Profit for the year	(4.31)	-	(4.31)
Other comprehensive income for the year	-	(0.01)	(0.01)
Expenses on issue of equity shares	(0.07)	-	(0.07)
As at 31 March 2025	**(6.36)**	**(0.01)**	**(6.37)**
Profit for the year	(0.29)	-	(0.29)
Expenses on issue of equity shares	-	-	-
Other comprehensive income for the year	-	0.00	0.00
Total Comprehensive income for the year	**(0.29)**	**0.00**	**(0.29)**
As at 31 March 2026	**(6.65)**	**(0.01)**	**(6.67)**

Notes forming part of the financial statements 1 to 5.11

As per our report of even date attached

For Sudit K. Parekh & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 110512W/W100378

NEMISH BHARATKUMAR KAPADIA Digitally signed by NEMISH BHARATKUMAR KAPADIA Date: 2026.05.04 22:24:40 +05'30'

Nemish Kapadia
Partner
Membership No. 111929

Place: Mumbai
Date: 04 May 2026

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

ANAND BANG Digitally signed by ANAND BANG Date: 2026.05.04 21:25:05 +05'30'

Anand Bang
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George Verghese
Director
DIN: 11068946
Place: Pune

Date: 04 May 2026

Notes to the financial statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

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 incorporated for the purpose of Management of funds and undertaking Advisory business. During the year, the Company has received approval from SEBI for surrender of registration of Arka Credit Fund I and Arka Hreem Real Estate Opportunities Fund-I.

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 based on Division II of Schedule III 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 2026, 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 financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed by the relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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 II 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 crores rounded off to nearest Rupee in crores with two decimal places as permitted by Schedule III to the Companies Act, 2013. Values of 0.00 in crores represents amount less than INR 50,000. Per share data are presented in Indian Rupee to two decimal places.

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 are added to the fair value. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss. 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) Classification and Subsequent measurement.

For purposes of subsequent measurement, financial assets are classified in three categories depending on the Company's business model for managing the financial assets and the contractual terms of the cash flow:

- 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.

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.

Equity Instruments/Investments :

Investments in equity instruments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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.

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 up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: The Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. The Company classifies all advances past due for 31-90 days under this category. Also, other qualitative factors to assess deterioration in credit quality of a financial asset is considered under this category. For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3: All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. Stage 3 is considered where “Contractual payments of principal and/or interest are past due for more than 90 days”.

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.

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 are deducted from the fair value of financial liabilities. The transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are immediately recognised in profit or loss. 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.

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:

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 Equity Instrument

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.

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.

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.

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 in conformity with IND AS 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. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Any revisions to accounting estimates are recognised prospectively in the current and future periods.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 future periods.Estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

The significant areas involving estimates or judgements are:

1. Recognition of deferred tax assets, estimation of current tax expense and current tax payable
2. Estimation of provisions and contingencies
3. Fair value of financial instruments including unlisted equity instruments
4. Business model assessment
5. Impairment of financial assets
6. Determination of useful life of Property, Plant and Equipment
7. Determination of useful life of Intangible asset
8. Effective interest rate
9. Evaluation of lease, lease term and discount rates

2.19 New Standards/Amendments notified but not yet effective:

During the financial year 2025–26, the Ministry of Corporate Affairs (MCA) introduced certain amendments to the applicable regulations and reporting requirements. Management has evaluated these amendments and assessed their applicability to the Company. Based on such assessment, the Company is of the view that these amendments do not have any material impact on the financial statements for the year ended 31 March 2026 and do not require any additional disclosure.

Arka Investment Advisory Services Private Limited (CIN : U67110MH2022PTC379494)

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

Note 3.01 : Non-current investments

Particulars	**Par Value / Face Value Per Unit**	**As at 31 March 2026**		**As at 31 March 2025**	
		Nos.	**₹ in Crs.**	**Nos.**	**₹ in Crs.**
Arka Credit Fund I (At fair value through P&L)			-		36.72
Equity Instruments of others (FVTOCI)					
Kirloskar Proprietary Ltd - fully paid up*	100.00	1	0.00	1	0.00
Total			**0.00**		**36.72**

* Investment in equity of others (FVTOCI) represents 1 full paid equity shares of Kirloskar Proprietary Ltd (Face Value Rs. 100). The said investment has been disclosed at the fair value of Rs.16,647 per share.

	As at 31 March 2026	As at 31 March 2025
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.00	36.72
Less: Impairment loss allowance	-	
Total	**0.00**	**36.72**

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

Note 3.02 : Other financial assets (non current)

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits (Unsecured, considered good)	-	0.22
Total	**-**	**0.22**

Note 3.03A : Other Non Current Assets

Particulars	As at 31 March 2026	As at 31 March 2025
Taxes recoverable and dues from government	0.48	0.42
Total	**0.48**	**0.42**

Note 3.04 : Trade Receivable

Particulars	As at 31 March 2026	As at 31 March 2025
Trade Receivable (Unsecured, considered good)	-	0.35
Total	**-**	**0.35**

Note: No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Refer Note 5.03 for Trade receivables aging schedule

Note 3.05 : Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with Bank		
Current account	0.06	6.12
Total	**0.06**	**6.12**

Note 3.06 : Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Other Bank Balances		
Deposits with banks (with original maturity of more than 3 months but less than 12 months)	2.23	-
Total	**2.23**	**-**

Note 3.03B : Current tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Taxes paid (net of provision for tax)	0.27	0.54
Total	**0.27**	**0.54**

(Currency : Indian Rupees in crores)

Note 3.07 : Share capital

3.07.1 Authorised share capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
At 01 April 2024	**21,80,000**	**2.18**
Increase/(decrease) during the period	78,24,000	7.82
At 31 March 2025	**1,00,04,000**	**10.00**
Increase/(decrease) during the period	-	-
At 31 March 2026	**1,00,04,000**	**10.00**

3.07.2 Issued, subscribed and fully paid up share capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
At 01 April 2024	**20,10,000**	**2.01**
Changes during the period	75,05,000	7.51
At 31 March 2025	**95,15,000**	**9.52**
Changes during the period	-	-
At 31 March 2026	**95,15,000**	**9.52**

3.07.3 Number of Shares held by holding Company / Promotors

Name of the Shareholder	No. of shares	% of shareholding
At 31 March 2025		
Arka Financial Holdings Private Limited	95,15,000	100.00
At 31 March 2026		
Arka Financial Holdings Private Limited	95,15,000	100.00

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

3.07.4 Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	No. of shares	% of shareholding
At 31 March 2025		
Arka Financial Holdings Private Limited	95,15,000	100.00
At 31 March 2026		
Arka Financial Holdings Private Limited	95,15,000	100.00

3.07.5 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.

(Currency : Indian Rupees in crores)

Note 3.08 : Other Equity

Particulars	As at 31 March 2026	As at 31 March 2025
Retained Earnings	(6.65)	(6.36)
Equity instruments through other comprehensive income	(0.01)	(0.01)
Total Other Equity	**(6.67)**	**(6.37)**

3.08.A Other equity movement

Retained Earnings		
Opening Balance	(6.36)	(1.99)
Add : Profit / (Loss) for the period	(0.29)	(4.30)
Less: Expenses on equity issue	-	(0.07)
	(6.65)	**(6.36)**
Equity instruments through other comprehensive income		
Opening Balance	(0.01)	-
Add : Additions during the year	-	(0.01)
	(0.01)	**(0.01)**
Total	**(6.67)**	**(6.37)**

Nature and Purpose of Reserves

i) Retained Earnings

Retained earnings are the profits that the Company has earned till date.

ii) Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity investments through OCI reserve.

(Currency : Indian Rupees in crores)

Note 3.09 : Borrowings (Non current)

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
Non-Convertible Debenture	-	35.30
(Refer note (a) below)		
Total	**-**	**35.30**

Nature of Security:

Security was created in favour of the Debenture Trustee, as follows:

First ranking sole and exclusive charge by way of hypothecation on the hypothecated receivables was created by the Company pursuant to the Memorandum of Hypothecation and a first ranking sole and exclusive pledge over pledged units and the said charged has been released on prepayment of the Non Convertible Debentures.

(a) Non Convertible Debenture

Privately placed Redeemable Non Convertible Debentures (NCDs) Terms of repayment

Redeemable within	**As at 31 March 2026**	**As at 31 March 2025**
	Rate of interest	**Rate of interest**
		12.65%
	Amount	**Amount**
Above 60 Months	-	-
48-60 Months	-	-
36-48 Months	-	-
24-36 Months	-	15.30
12-24 Months	-	20.00
Total	**-**	**35.30**

Note 3.10 : Borrowings (Current)

Particulars	As at 31 March 2026	As at 31 March 2025
Secured:		
Non-convertible debentures	-	5.00
Total	**-**	**5.00**

Nature of Security:

Security was created in favour of the Debenture Trustee, as follows:

First ranking sole and exclusive charge by way of hypothecation on the hypothecated receivables was created by the Company pursuant to the Memorandum of Hypothecation and a first ranking sole and exclusive pledge over pledged units and the said charged has been released on prepayment of the Non Convertible Debentures.

Note 3.11 : Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Due to micro and small enterprises	-	0.02
Due to other than micro and smallenterprises		
- Payable to fellow subsidiary i.e. Arka Fincap Limited	-	0.13
- Others	0.16	0.26
Total	**0.16**	**0.41**

Note: No amount is due to directors or other Officers of the Company either severally or jointly with any other person or to firm or private companies respectively in which any director is a partner, director or a member.

Refer Note 5.04 for Trade Payables ageing schedule

Refer Note 5.07 for dues to micro and small enterprises

Note 3.12 : Other financial liabilities (Current)

Particulars	As at 31 March 2026	As at 31 March 2025
Employee benefits payable	-	0.38
Payable to employees as Full and Final Settlement	0.01	-
Total	**0.01**	**0.38**

Note 3.13 : Other Current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	0.02	0.13
Total	**0.02**	**0.13**

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

Note 4.01 : Revenue from operations

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Fee and commission income	**0.15**	**1.05**
Management Fee Income	0.15	1.05
Interest income	**0.06**	**0.05**
On bank deposits	0.06	0.05
Interest income on financial assets measured at fair value through profit or loss:	**1.76**	**4.34**
On investments in AIF	1.76	4.34
Income from treasury	**0.65**	**0.19**
Net profit on sale of current investments	0.65	0.19
Total	**2.62**	**5.63**

Note 4.02 : Other income

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Interest on income tax refund	0.03	0.01
Provision no longer required written back	0.08	-
Gain on derecognition of Lease Liability	-	0.23
Interest on Security Deposit	-	0.02
Total	**0.11**	**0.26**

Note 4.03 : Employee benefits expense

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Salaries, other allowances and bonus	0.90	2.02
Provident and other funds expenses	0.03	0.04
Total	**0.93**	**2.06**

Note 4.04 : Finance costs

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Interest expense on financial liabilities measured at amortised cost:		
Interest expense on debt securities		
Debentures	1.30	5.20
Other interest expense		
Interest on lease liability	-	0.09
Total	**1.30**	**5.29**

Note 4.05 : Depreciation and amortization expense

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Depreciation of property, plant and equipment	-	0.33
Total	**-**	**0.33**

Note 4.06 : Other expenses

Particulars	**For the year ended 31 March 2026**	**For the year ended 31 March 2025**
Auditor's remuneration*	0.03	0.02
Rates and taxes	0.01	0.16
Professional charges	0.60	1.46
Other repairs and maintenance	-	0.06
Travelling and conveyance	-	0.10
Miscellaneous expenses	0.15	0.05
Total	**0.79**	**1.85**

*** Payment to auditor includes:**		
a) as statutory auditors#	0.03	0.02
b) for certification related matters	-	-
	0.03	**0.02**

Includes Auditors' remuneration of Rs. 0.01 crores paid to erstwhile auditor.

(Currency : Indian Rupees in crores)

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.

Sr. No.	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
I.	**Profit (Loss) attributable to equity holders (A)**		
	Profit / (Loss) attributable to equity holders for basic and diluted EPS	(0.29)	(4.31)
II.	**Weighted average number of equity shares for calculating Basic EPS (B)**	95,15,000	27,20,027
III.	**Weighted average number of equity shares for calculating Diluted EPS (C)**	95,15,000	27,20,027
IV.	**Basic earnings / (loss) per share (₹)**	(0.31)	(15.83)
V.	**Diluted earnings / (loss) per share (₹)**	(0.31)	(15.83)

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

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	KOEL Fluid Dynamics Private Limited (formerly known as La-Gajjar Machineries Private Limited
		Kirloskar Advanced Sytems Private Limited (w.e.f. 30 March 2026)
		Kirloskar Americas Corp. USA
		Engines LPG LLC, DBA Wildcat Power Gen, USA
		Kirloskar International ME FZE (w.e.f. 07 January 2025)
5	Entity under same group	Arka Credit Fund I (upto 02 March 2026)
6	Non-Executive Director	Anand Bang (w.e.f 22 April 2025)
7	Non-Executive Director	George Verghese (w.e.f 22 April 2025)
8	Non-Executive Director	Atit Devendra Shah (w.e.f. 24 July 2025)
9	Non-Executive Director	Sonit Singh (upto 24 June, 2025)
10	Non-Executive Director	Amit Kumar Gupta (upto 18 May 2025)
11	Non-Executive Director	Sachin Agarwal (upto 15 May 2025)

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

Sr. No.	Name of KMPs	Name of Relatives of KMPs	Relationship
1	Gauri Kirloskar	Arti A. Kirloskar	Mother
		Atul C. Kirloskar	Father
		Christopher Kolenaty	Husband
		Maya Kolenaty	Daughter
		Pia Kolenaty	Daughter

(Currency : Indian Rupees in crores)

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

Sr. No.	Name of KMPs	Name of Relatives of KMPs	Relationship
1	Samrat Gupta - Managing Director (w.e.f. 24 October 2024 upto 16 April 2025)	Vaishali Gupta	Wife
		Amalendu Dutta Gupta	Father
		Rina Dutta Gupta	Mother
		Rohan Gupta	Son
2	Vimal Bhandari - Managing Director (upto 23 October 2024)	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
3	Anand Bang - Manager (w.e.f. 17 April 2025)	Shilpa Bang	Wife
		Sarveshwer Bang	Father
		Nirmala Devi Bang	Mother
		Sanchit Bang	Son
		Ashish Bang	Brother
4	Ridhi Gangar - Chief Financial Officer (upto 16 April 2025)	Mahavir Lunawat	Husband
		Ruxamani Gangar	Mother
		Krina Gangar	Sister
		Charmi Gangar	Sister
5	Girish Kulkarni - Chief Financial Officer (w.e.f 17 April 2025 upto 30 September 2025)	Swati Kulkarni	Wife
		Vinayak Kulkarni	Father
		Vaishali Kulkarni	Mother
		Pallavi Deshpande	Sister
6	Rohit Kumar - CFO (w.e.f. 01 October 2025)	Nitasha Goyal	Wife
		Satish Gupta	Father
		Kiran Gupta	Mother
		Vihaan Gupta	Son
		Sunil Bansal	Brother
7	Aditi Mahamunkar - Company Secretary	Arun Mahamunkar	Father
		Sadhana Mahamunkar	Mother
		Gaurav Chindarkar	Spouse
		Trishika Chindarkar	Daugher
		Akshaya Mahamunkar	Sister
		Atul Mahamunkar	Brother

(Currency : Indian Rupees in crores)

(iv) Entities controlled by Key Management Personnel of Holding Company

Sr. No.	Related Party Category	Company Name
1	Key Management Personnel of Ultimate Holding Company	Snow Leopard Technology Ventures, LLP
		Beluga Whale Capital Management Pte Ltd.
2	Entities controlled by Close Member of Key Managerial Personnel of Ultimate Holding Company	Navsai Opportunities Private Limited (formerly known as Navsai Investments Private Limited)
		Kirloskar Energen Private Limited (upto 11 March 2025)
		Kirloskar Solar Technologies Private Limited
		Alotoxl Ventures LLP
		Indifour Consult Private Limited
		Binaza Consult Private Limited
		Gumtree Capital Advisors LLP
		Snow Leopard Lever Boost LLP
		Snow Leopard Infrastructure-1 LLP
		Cephalopod Teknik - V LLP upto (24 March 2025)
		Cephalopod Teknik - VI LLP (upto 24 March 2025)
		Cephalopod Teknik - VII LLP (w.e.f 03 October 2024)
		Snow Leopard Momentum-III LLP (upto 18 January 2026)
		Snow Leopard Momentum IV LLP (w.e.f. 21 January 2026)
		Paragon Greensutra Private Limited

B. Transactions with Related Parties

Sr. No.	Nature of the transaction / relationship / major parties	For The Year Ended 31 March 2026		For The Year Ended 31 March 2025	
		Amount	Amount from major parties	Amount	Amount from major parties
1	**Capital Contribution received from Holding Company**	0.00		7.51	
	Arka Financial Holdings Pvt Ltd		0.00		7.51
	Total	**0.00**	**0.00**	**7.51**	**7.51**
2	**Reimbursement of expenses paid/payable to Subsidiary Company of Holding Company**	0.39		0.73	
	Arka Fincap Limited (Net of TDS)		0.39		0.73
	Total	**0.39**	**0.39**	**0.73**	**0.73**
4	**Payments done by Subsidiary Company of Holding**	0.08		33.71	
	Arka Fincap Limited		0.08		2.76
	Purchase of Investments in Arka Credit Fund I		0.00		30.95
	Total	**0.08**	**0.08**	**33.71**	**33.71**
5	**Security Deposit received related to Corporate Office**	0.23		-	
	Arka Fincap Limited		0.23		-
	Total	**0.23**	**0.23**	**-**	**-**
6	**Transactions with Entity under same group**				
	Arka Credit Fund I	39.32		40.04	
	Management Fee Income (Net of TDS)		0.18		1.22
	Recovery of Operating Expenses (Net of TDS)		0.01		0.09
	Income Earned from the Investment		2.59		4.34
	Investments done in Arka Credit Fund I		0.00		20.08
	Redemption of Investments in the Arka Credit Fund I		36.54		14.31
	Total	**39.32**	**39.32**	**40.04**	**40.04**
Balances with related parties		**As at 31 March 2026**		**As at 31 March 2025**	
1	**Payable to Subsidiary Company of Holding Company**	0.00		0.13	
	Arka Fincap Limited		0.00		0.13
	Total	**0.00**	**0.00**	**0.13**	**0.13**
2	**Receivable from Entity under same group**	0.00		0.35	
	Arka Credit Fund I		0.00		0.35
	Total	**0.00**	**0.00**	**0.35**	**0.35**

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.

ARKA INVESTMENT ADVISORY SERVICES PRIVATE LIMITED (CIN : U67110MH2022PTC379494)

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

Note 5.03: Trade receivable ageing schedule - 31 March 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	-	-	-	-	-	-

Trade receivable ageing schedule - 31 March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	0.35	-	-	-	-	0.35

Note 5.04: Trade Payables ageing schedule - 31 March 2026

	Outstanding for following periods from due date of payment					Total
Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	0.00
(ii) Others	0.16	-	-	-	-	0.16
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule - 31 March 2025

	Outstanding for following periods from due date of payment					Total
Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.02	-	-	-	-	0.02
(ii) Others	0.26	0.13	-	-	-	0.39
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

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 including their levels in the fair value hierarchy:

Particulars	Carrying amount				Fair value	
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Fair value	Fair value Hierarchy
As at 31 March 2026						
Financial Assets:						
Investment in Kirloskar Proprietary Ltd	-	0.00	-	0.00	0.00	Level 3
Total	**-**	**0.00**	**-**	**0.00**	**0.00**	
As at 31 March 2025						
Financial Assets:						
Investment in Kirloskar Proprietary Ltd	-	0.00		0.00	0.00	Level 3
Investment in Arka Credit Fund I	36.72	-		36.72	36.72	Level 3
Total	**36.72**	**0.00**	**-**	**36.72**		

Note 1: Valuation techniques used to determine fair value
- Alternative Investment Fund: Net Asset Value provided by issuer fund in Statement of Account at the end of the year.
- Equity instruments of unlisted subsidiary: on the basis of net worth of the Company.

Note 2: The carrying amounts of financial assets and financial liabilities other than those disclosed in table above are considered to be the same as their fair values due to the short term maturities of instruments or no material differences in the values.

Note 3: There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2026 and March 31, 2025.

NOTE 5.06 : Contingent liabilities and Commitments

There are no contingent liabilities or commintments as at 31 March 2026.

Notes To The Financial Statements

For The Year Ended 31 March 2026

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

The information required to be disclosed as per MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

Sr. No.	Particulars	As at 31 March 2026	As at 31 March 2025
a.	Principal 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 Development 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 : Disclosure pursuant to Employee benefits

Defined contribution plan (Provident fund):

The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The provident fund payment recognised as expenses and included in Employee benefit expenses during the current year ₹ 0.03 Crores (previous year: ₹ 0.04 Crores).

NOTE 5.09 : Ratios

Sr. No.	Ratios	Formula	As at 31 March 2026	As at 31 March 2025	Variance
1	Current Ratio	Current Assets / Current Liabilities	13.47	1.18	**1038%**
2	Debt Equity Ratio	Total Debt / Shareholders' Equity	-	12.79	**-100%**
3	Return on Equity Ratio	Net Profit After Tax / Average Shareholders' equity	(0.10)	(2.72)	**-96%**
4	Net Profit Ratio	Net Profit / Net Sales	(0.11)	(0.73)	**-85%**
5	Return on Capital	Earning before interest & tax (PBIT) / capital employed	0.35	0.04	**834%**

Reason for Variance:

During the year, the Company (the Investment Manager) has initiated the process to wind up the Arka Credit Fund I in accordance with SEBI (Alternative Investment Funds) Regulations, 2012 and liquidated all its investments and has distributed entire capital contributions and proceeds to the investors. It also prepaid the non-convertible debentures out of proceeds from redemption of investment in Arka Credit Fund I. The variance in ratios as listed above is mainly on account of reduction in borrowings, Investments, finance cost and income from investments during the year for the reasons mentioned here.

NOTE 5.10: Segment Reporting

The Company was 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.

Notes To The Financial Statements

For The Year Ended 31 March 2026

(Currency : Indian Rupees in crores)

NOTE 5.11 : Other notes including regulatory information

5.11 (i): Business Activities

The Company is acting as Investment Manager for the purpose of Management of funds and undertaking Advisory business. During the year, the Company has initiated the process to wind up the Arka Credit Fund I in accordance with SEBI (Alternative Investment Funds) Regulations, 2012 and liquidated all its investments and has distributed entire capital contributions and proceeds to the investors. The Company has submitted the application for surrender of registration of the Fund on 04 November 2025 and the same has been approved by SEBI with effect from 02 March 2026. Additionally, the Company had made application to SEBI on March 5, 2025 for closure and winding up of Arka Hreem Real Estate Opportunities Fund-I before the commencement of its operations and the same has been approved SEBI with effect from 09 July 2025.

5.11 (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

5.11 (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.

5.11 (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.

5.11 (vi): Borrowings from banks or financial institutions against security of current assets

As at 31 March 2026, borrowings from banks or financial institutions on the basis of security of current assets is Nil (31 March 2025: Nil).

5.11 (vii): Title deeds of Immovable Properties not held in name of the Company

The Company does not hold any immovable properties whose title deeds are not in the name of the Company.

5.11 (viii): Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as at March 31, 2026 and at March 31, 2025.

5.11 (ix): 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.

5.11 (x): Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

5.11 (xi): Undisclosed Income

There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes To The Financial Statements

For The Year Ended 31 March 2026

5.11 (xii): Compliance with number of layers of companies

The Company is compliant with restriction on number of layers as defined under (Restriction on number of layers) Rules, 2017.

5.11 (xiii): Utilisation of borrowed funds and share premium

I. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

II. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5.11 (xiv): Loans or Advances

The Company has not granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment,

5.11 (xv): Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or any lender.

5.11 (xvi): 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 2026.

5.11 (xvii): Amounts in the financial statements are presented in Indian Rupees in crores rounded off to nearest Rupee in crores with two decimal places as permitted by Schedule III to the Companies Act, 2013.

5.11 (xviii): Previous year's figures have been re-grouped, reclassified where necessary to correspond with the figures of the current year. Previous year figures have been audited by a firm of Chartered Accountants other than Sudit K. Parekh & Co. LLP.

As per our report of even date attached

For Sudit K. Parekh & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 110512W/W100378

NEMISH BHARATKUMAR KAPADIA
Digitally signed by NEMISH BHARATKUMAR KAPADIA
Date: 2026.05.04 22:25:45 +05'30'

Nemish Kapadia
Partner
Membership No. 111929

Place: Mumbai
Date: 04 May 2026

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

ANAND BANG
Digitally signed by ANAND BANG
Date: 2026.05.04 21:25:55 +05'30'

Anand Bang
Director
DIN: 11068949
Place: Mumbai

GEORGE VERGHESE
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Date: 2026.05.04 20:23:27 +05'30'

George Verghese
Director
DIN: 11068946
Place: Pune

Date: 04 May 2026