

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARRKA INFOSEC PRIVATE LIMITED
Pune.

Opinion:

We have audited the accompanying financial statements of **M/s Arrka Infosec Private Limited** ("the Company"), which is a private limited company and a subsidiary of a limited company as defined under Section 2(87) of the Companies Act, 2013 ("the Act"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss for the year then ended, Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- (a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2025;
- (b) In the case of the Statement of Profit & Loss, of the Loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information other than the financial statements and auditors' report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 standalone financial statements or our knowledge obtained during the course of our 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. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility:

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 judgment and maintain professional skepticism throughout the audit. We also

- a.** 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.
- b.** 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c.** Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d.** Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- e.** 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal & 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 Companies Act, 2013, 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 & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. As per Rule 3(5) of the Companies (Accounts) Rules, 2014 company has maintain the backup of the books of accounts and other relevant books and papers in an electronic mode on servers physically located in India on a daily basis.
 - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on March 31st, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2025, 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 over financial reporting of the Company and the operating effectiveness of such controls, as per MCA Notification No. G.S.R. 583(E) dated 13th June 2017, the requirements of reporting under Section 143(3)(i) of the Companies Act, 2013 shall not apply to certain private limited companies. The Company is covered under the category of prescribed companies mentioned in that notification.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, this section is not applicable to private limited companies.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations as on date which impacts its financial position, hence no disclosure in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
- vi.
- (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company 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, as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The company has not paid any dividend during the year. Hence no comment can be provided on compliance of section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 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 softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered.

**FOR R. S. MUTHA & CO.
F. R. NO. 126939W
CHARTERED ACCOUNTANTS**

**PLACE : PUNE
DATE : 10.06.2025**

**(R. S. MUTHA)
PARTNER
M. NO. 121503
UDIN: 25121503BMJKLY1944**

“Annexure A” to the Independent Auditors’ Report

(All figures are in Rs.’000, unless otherwise stated)

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report to the member of **M/s Arrka Infosec Private Limited** of even date to the financial statements of the Company for the year ended March 31,2025:-

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Property, Plant & Equipment of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- ii. The company’s business does not involve in maintenance of inventories and providing services, and accordingly, the requirements of para 3(ii) of the order are not applicable to the company.
- iii. According to information and explanation given to us, Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provision of section 185 and 186 of the companies act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- vi. To the best of our knowledge and as explained, the central Government has specified the maintenance of Cost Records under sub-section (1) of Section 148 of the Act, for the product of the Company. However there is no such transaction of revenue incurred during the year. Hence we have not provided any comment on this clause.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2025 for a period of more than six months from the date on when they become payable.

(c) According to the information and explanation given to us, there are no dues of income tax, GST, duty of customs, value added tax outstanding on account of any dispute which have not been deposited on account of any dispute.
- viii. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income 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) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) 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 given to us by the management, the Company has not obtained any term loans. Accordingly, this clause is not applicable.

(d) On an overall examination of the financial statements of the company, no funds that were raised for short term purposes have been utilized for long term purposes.

(e) On an overall examination of the financial statements of the Company, the company does not hold any investment in any subsidiary, associates or joint ventures during the year ended March 31, 2025. Hence, clause 3(ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary, associates or joint venture (as defined under the Companies Act 2013) Hence clause 3(ix) (f) of the Order is not applicable.
- x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares. However, pursuant to the provisions of Section 71, 62 and 179 and other applicable provisions, if any, of the Companies Act, 2013, rule 13 of the Companies (Share Capital and Debentures) rules, the terms and conditions for issuance of 97,500 Unsecured, Compulsory Convertible Debentures (CCDs) and, the Valuation Report dated 19th September,

2024 and the Share Purchase Agreement dated 30th September, 2024, the Company on 15th October, 2024 has converted 97,500 CCDs into 7,607 fully paid up equity shares of Rs.10/- (absolute figure) each at a premium of Rs.1,337.28/- (absolute figure) per Equity Share.

Further, 27,294 Equity Shares of Rs.10/- (absolute figure) each of the Company were issued to M/s. Persistent Systems Limited (Holding Company) on rights basis on March 14, 2025, at a premium of Rs.1,383.41/- (absolute figure) per Equity Share.

- xi. (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;

(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. Based upon the audit procedure and the information and explanation given by management, in our opinion, where applicable, the details of transactions with related parties have been disclosed in the financial statements as required by the applicable accounting standards and section 188 of the act. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177, is not commented upon.
- xiv. In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business. However, based on the criteria laid down under Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the said provisions are not applicable to the Company during the year ending on 31.03.2025.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- xvii. Based on our examination and according to the information and explanation given to us, the Company has incurred cash losses of Rs.29,118/- during the current financial year. The Company has not incurred any cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable
- xix. 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's plans and based on our examination of the evidence supporting the assumptions,

nothing has come to our attention, which causes us to believe that a material uncertainty exists as on the date of the audit report indicating that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**FOR R. S. MUTHA & CO.
F. R. NO. 126939W
CHARTERED ACCOUNTANTS**

**PLACE : PUNE
DATE : 10.06.2025**

**(R. S. MUTHA)
PARTNER
M. NO. 121503
UDIN: 25121503BMJKLY1944**