

## Independent Auditor's Report

**To the Members of Sonata Software Solutions Limited**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of Sonata Software Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, in which are included financial information of 2 branches, and notes to the financial statements, including 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 ("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 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs 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 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.

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) 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. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and 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 state of affairs, profit/ loss and 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. The Management and Board of Directors of the Company are responsible for maintenance of adequate accounting records in

Registered Office:

## Independent Auditor's Report (Continued)

### Sonata Software Solutions Limited

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 Management and 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 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 judgment and maintain professional skepticism 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 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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

**Independent Auditor's Report (Continued)**

**Sonata Software Solutions Limited**

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**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 Section 143(11) 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 A. 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 flows 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.
  - e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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.
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 26 to the financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 (iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.

**Independent Auditor's Report (Continued)**

**Sonata Software Solutions Limited**

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures 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), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

As stated in Note 33 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in respective softwares:

- In the absence of the change log over audit trail (edit log) facility at the application level in respect of primary accounting software used for maintaining books of accounts, we are unable to comment whether audit trail feature of the said software was enabled and operated at application layer throughout the year for all relevant transactions recorded in the software.

Additionally, based on our examination, where audit trail (edit log) facility was enabled and operated in the preceding years at the application layer, the audit trail has been preserved from the date of enablement as per the statutory requirements for record retention.

- In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the primary accounting software used for maintaining books of accounts, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at database layer for all relevant transactions recorded in such software.
- In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the application layer and database layer level for the software relating to recording of time by the resources as part of the revenue process, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at the application layer and database layer for all relevant transactions recorded in such software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

B S R & Co. LLP

**Independent Auditor's Report (Continued)**

**Sonata Software Solutions Limited**

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Vivek Gopalakrishnan**

*Partner*

Place: Bengaluru

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN:26522796DRMFCH5506

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2026**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not hold any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services and solutions. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans to its holding company during the year, in respect of which the requisite information is as below. The Company has not granted any loans to firms, Limited Liability Partnerships and any other parties. The Company has also not made any investments, advances in the nature of loans or provided any guarantee or security to companies, firms, Limited Liability Partnerships and any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to M/s Sonata Software Limited (holding company). The aggregate amount of such loan during the year is Rs 1,300 Lakhs and the balance outstanding as at balance sheet date is Rs 650 Lakhs.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are not prejudicial to the interest of the Company.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, there are loans given by the Company to M/s Sonata Software Limited (holding company) in aggregate of Rs 1,300 Lakhs, which was repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2026 (Continued)**

However, M/s Sonata Software Limited has repaid an amount of INR 650 Lakhs towards the principal. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advances in the nature of loans to any other party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

in Rs Lakhs

	<b>Related Parties</b>
Aggregate of loans - Repayable on demand	1,300
Percentage of loans to the total loans	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of loan given by the Company, in our opinion, the provisions of Section 185 of the Act are not applicable and the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee State Insurance, Income-Tax or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2026 (Continued)**

- were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
  - (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
  - (ix) (a) According to the information and explanation given to us and basis of our examination of the records of the Company, the Company has availed working capital loans of Rs. 1,740 lakhs which is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given by us and basis of our examination of the records of the Company, such loans and interest thereon have been entirely repaid during the year
    - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
    - (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
    - (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report 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 on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
    - (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 (as defined under the Act).
  - (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
    - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
  - (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
    - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2026 (Continued)**

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary of Sonata Software Limited (public listed Company) and accordingly exempt from the requirements as stipulated by the provisions of Section 177 of the Act. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

B S R & Co. LLP


**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Sonata Software Solutions Limited for the year ended 31 March 2026  
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clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Vivek Gopalakrishnan**

*Partner*

Place: Bengaluru

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN:26522796DRMFCH5506

**Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Solutions Limited for the year ended 31 March 2026**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Sonata Software Solutions Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date which includes internal financial controls with reference to financial information of 2 branches.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to

**Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Solutions Limited for the year ended 31 March 2026  
(Continued)**

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 controls with reference to financial statements include 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Vivek Gopalakrishnan**

*Partner*

Place: Bengaluru

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN:26522796DRMFCH5506

## SONATA SOFTWARE SOLUTIONS LIMITED

## Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	306	757
Right-of-use assets	35	2,290	2,519
Financial assets	4		
Investments	4.1	26	26
Other financial assets	4.2	257	257
Deferred tax assets (net)	15B	3,905	3,723
Income tax assets (net)	15A	171	77
Other non-current assets	5	-	6
<b>Total non-current assets</b>		<b>6,955</b>	<b>7,365</b>
<b>Current assets</b>			
Financial assets	6		
Investments	6.1	-	2,032
Trade receivables	6.2	14,957	11,478
Cash and cash equivalents	6.3	307	181
Loans	6.4	650	-
Other financial assets	6.5	8	96
Other current assets	7	81	61
<b>Total current assets</b>		<b>16,003</b>	<b>13,848</b>
<b>Total assets</b>		<b>22,958</b>	<b>21,213</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	8	1	1
Other equity	9	18,134	16,981
<b>Total equity</b>		<b>18,135</b>	<b>16,982</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	10	2,797	2,905
<b>Total non-current liabilities</b>		<b>2,797</b>	<b>2,905</b>
<b>Current liabilities</b>			
Financial liabilities	11		
Lease liabilities	11.1	396	379
Trade payables	11.2		
Total outstanding dues of micro enterprises and small enterprises		2	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		47	38
Other financial liabilities	11.3	1,262	562
Other current liabilities	12	41	74
Provisions	13	230	83
Current tax liabilities (net)	14	48	190
<b>Total current liabilities</b>		<b>2,026</b>	<b>1,326</b>
<b>Total equity and liabilities</b>		<b>22,958</b>	<b>21,213</b>
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan

Partner

Membership No. 522796

Place : Bengaluru

Date : May 04, 2026

For and on behalf of the Board of Directors of

Sonata Software Solutions Limited

CIN: U72900MH2020PLC338150

Jagannathan CN

Director

DIN: 08255902

Place : Bengaluru

Date : May 04, 2026

Suresh H P

Director

DIN: 10124549

Place : Bengaluru

Date : May 04, 2026



SONATA SOFTWARE SOLUTIONS LIMITED  
Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	16.1	12,931	15,565
Other income	16.2	1,248	207
<b>Total income</b>		<b>14,179</b>	<b>15,772</b>
<b>EXPENSES</b>			
Employee benefits expense	17	5,350	5,654
Finance costs	18	316	316
Depreciation and amortization expense	19	726	879
Other expenses	20	715	656
<b>Total expenses</b>		<b>7,107</b>	<b>7,505</b>
<b>Profit before exceptional item and tax</b>		<b>7,072</b>	<b>8,267</b>
<b>Exceptional item</b>			
Impact of new labour codes	29	146	-
<b>Profit before tax</b>		<b>6,926</b>	<b>8,267</b>
<b>Tax expense</b>			
Current tax	15A	1,241	1,444
Deferred tax	15A & 15B	(151)	(310)
<b>Net tax expense</b>		<b>1,090</b>	<b>1,134</b>
<b>Profit for the year</b>		<b>5,836</b>	<b>7,133</b>
<b>Other comprehensive income</b>			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans	29	(98)	5
(b) Income tax relating to items that will not be reclassified to profit/(loss)	15A & 15B	14	(1)
		<b>(84)</b>	<b>4</b>
2. Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge	26	(116)	12
(b) Income tax relating to items that will be reclassified to profit/(loss)	15A & 15B	17	(2)
		<b>(99)</b>	<b>10</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>(183)</b>	<b>14</b>
<b>Total comprehensive income for the year</b>		<b>5,653</b>	<b>7,147</b>
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	31	58,373	71,324
<b>Summary of material accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan  
Partner  
Membership No. 522796

Place : Bengaluru  
Date : May 04, 2026

For and on behalf of the Board of Directors of  
Sonata Software Solutions Limited  
CIN: U72900MH2020PLC338150

Jagannathan CN  
Director  
DIN: 08255902

Place : Bengaluru  
Date : May 04, 2026

Suresh H P  
Director  
DIN: 10124549

Place : Bengaluru  
Date : May 04, 2026



SONATA SOFTWARE SOLUTIONS LIMITED  
Statement of changes in equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 8)	As at	As at
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1	1
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	1	1
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>1</b>	<b>1</b>

(b) Other equity

₹ in Lakhs

Particulars	Reserves and surplus		Other comprehensive income	Total Other equity
	Retained earnings	Remeasurement of the defined benefit plans	Effective portion of cash flow hedges	
<b>Balance as at April 1, 2024</b>	<b>12,164</b>	<b>(25)</b>	<b>(5)</b>	<b>12,134</b>
Profit for the year	7,133	-	-	7,133
Other comprehensive income (net of tax)	-	4	10	14
<b>Total comprehensive income for the year</b>	<b>7,133</b>	<b>4</b>	<b>10</b>	<b>7,147</b>
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Payment of cash dividends	(2,300)	-	-	(2,300)
<b>Balance as at March 31, 2025</b>	<b>16,997</b>	<b>(21)</b>	<b>5</b>	<b>16,981</b>
<b>Balance as at April 1, 2025</b>	<b>16,997</b>	<b>(21)</b>	<b>5</b>	<b>16,981</b>
Profit for the year	5,836	-	-	5,836
Other comprehensive income (net of tax)	-	(84)	(99)	(183)
<b>Total comprehensive income for the year</b>	<b>5,836</b>	<b>(84)</b>	<b>(99)</b>	<b>5,653</b>
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Payment of cash dividends	(4,500)	-	-	(4,500)
<b>Balance as at March 31, 2026</b>	<b>18,333</b>	<b>(105)</b>	<b>(94)</b>	<b>18,134</b>

Refer note 9 for the nature and purpose of reserves.

Summary of material accounting policies refer note

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan  
Partner  
Membership No. 522796

For and on behalf of the Board of Directors of  
Sonata Software Solutions Limited  
CIN: U72900MH2020PLC339150

Jagannathan CN  
Director  
DIN: 08255902

Suresh H P  
Director  
DIN: 10124549

Place : Bengaluru  
Date : May 04, 2026

Place : Bengaluru  
Date : May 04, 2026

Place : Bengaluru  
Date : May 04, 2026



	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,926	8,267
<b>Adjustments for :</b>		
Depreciation and amortization expense	726	879
Finance costs	316	316
Impairment (gain)/loss recognized on trade receivable	(23)	-
Interest on Income-tax refund	-	(13)
Interest income	(8)	(176)
(Gain) / loss on sale of fixed assets / scrapped	1	-
Net gain on current investments	(59)	(18)
Net unrealized foreign exchange (gain)/loss	(979)	62
Net unrealized (gain)/loss on derivatives carried at fair value through profit or loss	177	(36)
<b>Operating cash flows before movements in working capital</b>	<b>7,077</b>	<b>9,281</b>
<b>Changes in operating assets and liabilities:</b>		
Increase in trade receivables	(2,533)	(6,385)
Decrease in other financial assets - current	17	68
Decrease in other financial assets non-current	-	4
Decrease in other non-current assets	6	14
Decrease/(increase) in other current assets	(20)	8
Decrease in trade payables	52	(98)
Increase in other financial liabilities	497	438
Decrease in other current liabilities	(131)	(4)
Increase in provisions	147	35
<b>Net cash flow from operating activities before taxes</b>	<b>5,112</b>	<b>3,361</b>
Income taxes paid (net of refunds)	(1,478)	(1,037)
<b>Net cash flow from operating activities</b>	<b>(A) 3,634</b>	<b>2,324</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(65)	(185)
Investments in subsidiary	-	(26)
Purchase of investments	(6,840)	(5,021)
Proceeds from sale of investments	8,931	3,007
Inter corporate loan given	(1,300)	-
Inter corporate loan recovered	650	-
Investment in bank deposits	-	(2,810)
Proceeds from maturity of bank deposits	-	5,210
Interest received	8	249
<b>Net cash flow from investing activities</b>	<b>(B) 1,384</b>	<b>424</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment on lease liabilities	(398)	(383)
Inter corporate borrowings received	1,740	408
Inter corporate borrowings repaid	(1,740)	(408)
Payment of dividend	(4,500)	(2,300)
Interest paid	(9)	(2)
<b>Net cash used in financing activities</b>	<b>(C) (4,907)</b>	<b>(2,685)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) 111</b>	<b>63</b>
Opening cash and cash equivalents	181	117
Exchange difference on translation of foreign currency cash and cash equivalents.	15	1
<b>Closing cash and cash equivalents</b>	<b>307</b>	<b>181</b>
Cash and cash equivalents at the end of the period comprises: (Refer note 6.3)		
Balances with banks		
In current accounts	142	181
In EEFC accounts	165	-
	<b>307</b>	<b>181</b>

Refer note 35 for changes in lease liabilities arising from financing activities and for non-cash financing activities. There are no non-cash changes in inter corporate borrowings.

Summary of material accounting policies refer note

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan  
Partner  
Membership No. 522796

Place : Bengaluru  
Date : May 04, 2026

For and on behalf of the Board of Directors of  
Sonata Software Solutions Limited  
CIN: U72900MH2020PL2338150

Jagannathan CN  
Director  
DIN: 08255902

Place : Bengaluru  
Date : May 04, 2026

Supresh H P  
Director  
DIN: 10124549

Place : Bengaluru  
Date : May 04, 2026



## SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2026

### 1 COMPANY OVERVIEW

Sonata Software Solutions Limited ("SSSL" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States of America, Europe and Australia.

The Company is a public limited company incorporated on Feb 24, 2020 and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. The financial statements have been approved for issue by the Company's Board of Directors on May 04, 2026.

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

### 2 MATERIAL ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

##### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements and other provisions of the Act.

##### b. Basis of measurement

The financial statements have been prepared on a historical cost convention, on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 116 Leases. Also, net defined benefit – assets / liabilities is valued at fair value of plan assets less present value of defined benefit obligation.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The operating cycle is the time between deployment of resources and the realization in cash or cash equivalents of the consideration for such services rendered. The Company's normal operating cycle is twelve months.

##### Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

##### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. The functional currency of its branches is as per its respective domicile currency.

All amounts are rounded off to the nearest Rupees (₹) in Lakhs except per share data and unless otherwise indicated. Transactions and balances with value below rounding off norm adopted by the Company have been reflected as '-' in relevant notes to the financial statements (as applicable).

##### d. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**i) Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges. The policy for the same has been explained under note 2.2(c).

**ii) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The policy for the same has been explained under note 2.2(n)

**iii) Income taxes and deferred taxes**

The primary tax jurisdiction for the Company is India. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under note 2.2(h)

**iv) Leases**

The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company assesses whether it is reasonable certain to exercise the options if there is a significant event or significant changes in circumstances within the control. The policy for the same has been explained under note 2.2(d)

**2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

**b. Capital work-in-progress**

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress respectively.

**c. Depreciation/ Amortisation**

Depreciation is calculated on the cost of property, plant and equipment less their estimated residual values and is generally recognized in the statement of profit and loss.

Depreciation has been provided on plant and equipment on the straight line method and on furniture and fixtures and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/(disposals) is provided from/ (upto) the date on which asset is ready for use/ (disposed off).

**Straight-line method**

Asset class	Useful life
Plant and equipment (Hardware)	3 years
Plant and equipment (Others)	15 years
Lease hold improvements	lease period

**Written down method**

Asset class	Depreciation rate
Furniture and fixtures	25.88%
Office equipments	45.07%



The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**d. Leases**

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the a) contract involves the use of identified asset; b) Company has right to direct the use of the asset; c) the Company has substantially all the economic benefits from the use of asset through period of lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹ 500,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

**e. Financial instruments**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Non-derivative financial assets**

**i. Financial assets at amortised cost**

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

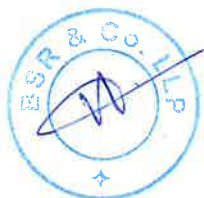
They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents and eligible current and non-current assets.

**Cash and cash equivalents:**

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and book overdraft which are considered part of the Company's cash management system.



## SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2026

### ii. Financial assets at fair value through other comprehensive income (FVTOCI)

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in other comprehensive income (OCI).

Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

### iii. Financial assets at fair value through profit and loss (FVTPL)

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc. Financial assets included within the FVTPL category are measured at fair values at each reporting date with all changes recorded in the statement of profit and loss.

Financial assets are not reclassified subsequently unless if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. The Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Non-derivative financial liabilities

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost using the effective interest rate method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss.

### Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company enters into derivative contracts to hedge the risks asserted with currency fluctuations relating to firm commitments and highly probable forecasted transactions. The Company does not use derivative instruments for speculative purposes. The counter party to the Company's foreign currency forward contracts is generally a bank.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

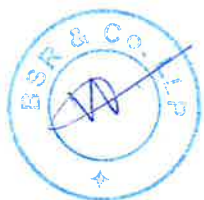
Amounts accumulated in hedging reserve are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

The fair value of a hedging derivative is classified as a current/ non-current, asset or liability based on the remaining maturity of the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified as effective portion of cash flow hedges is classified to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the statement of profit and loss for the period.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.



**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**Derecognition of financial instruments**

**Financial assets:**

The Company derecognises a financial asset when:

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

**Financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit and loss.

**Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

**f. Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only legal or constructive obligation is to pay a fixed amount towards government administered scheme with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Provident Fund:** The employees also make periodic contributions to the government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Gratuity:** The Company provides for Gratuity, a defined benefit plan covering the eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and tenure of the employment with the Company.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation performed by an independent actuary, at each balance sheet date using projected unit method. The Company fully contributes all ascertained liabilities to a trust managed by the Trustees of Sonata Software Limited Gratuity Fund. The Trustees administer the contributions made to the Trust. The fund's investments are managed by certain insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to statement of profit and loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss.

**Superannuation fund:** Certain employees of the Company are participants in a defined contribution plan of superannuation. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to the Sonata Software Limited Superannuation Fund, the corpus of which is invested with the Life Insurance Company.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.



**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognized in statement of profit and loss in the period in which they arise.

The obligations of compensated absences are presented as current liabilities in the balance sheet of the Company as the Company does not have an unconditional right to defer this settlement for at least 12 months from reporting date.

**g. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company's recognizes any impairment loss on the assets associated with that contract.

**h. Income taxes**

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

**a) Current income tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) 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 income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

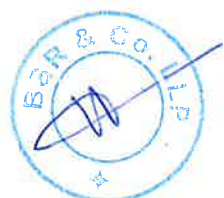
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**i. Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**j. Revenue recognition**

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when it transfers control over a product or a service to a customer.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Certain eligible, non-recurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates, credits, price concessions, discounts, pricing incentives and other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

The method for recognizing revenues and costs depends on the nature of the services rendered.

**a) Time and materials and unit of work based contracts**

Revenue from time and material contracts and volume/unit based contracts is measured on output basis by units delivered, efforts expended, number of transactions processed etc., as applicable and is recognised as the related services are performed. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

**b) Maintenance Contracts**

Revenue from fixed price maintenance contracts is recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

**Contract assets and contract liabilities**

Contract asset represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities (Unearned revenues) represent billing in excess of revenue recognized.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**k. Dividend :**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees to the share holders after deducting the taxes at applicable rates.

**l. Foreign currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

For the purposes of presenting the financial statements assets and liabilities of Company's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the statement of profit and loss on disposal.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**m. Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**n. Impairment**

**a) Financial assets :**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition. The Company recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognized as expense (or income) in the statement of profit and loss.

**Credit impaired financial assets:**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;

Write off - the gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in statement of profit and loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through statement of profit and loss.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated depreciation/amortization) had no impairment loss been recognized for the asset in prior years.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**o. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**p. Contingent Liabilities**

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

**q. Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

**r. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**2.3 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

The MCA had issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025 vide notification dated May 07, 2025 and August 13, 2025 respectively amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2026:

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.



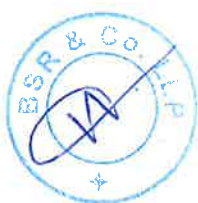
## 3 . Property, plant and equipment

## Tangible assets

₹ in Lakhs

Particulars	Office equipments	Leasehold improvements	Furniture and fixtures	Plant and equipments	Total
<b>Cost</b>					
As at April 1, 2024	275	879	191	901	2,246
Additions *	2	-	-	94	96
Disposal / Write off	-	-	-	(3)	(3)
Translation difference	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>277</b>	<b>879</b>	<b>191</b>	<b>992</b>	<b>2,339</b>
As at April 1, 2025	277	879	191	992	2,339
Additions	-	-	-	47	47
Disposal / Write off	-	-	-	(2)	(2)
Translation difference	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>277</b>	<b>879</b>	<b>191</b>	<b>1,037</b>	<b>2,384</b>
<b>Accumulated Depreciation</b>					
As at April 1, 2024	132	318	54	431	935
Depreciation charge during the year	65	272	35	278	650
Depreciation on disposals / write off	-	-	-	(3)	(3)
Translation difference	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>197</b>	<b>590</b>	<b>89</b>	<b>706</b>	<b>1,582</b>
As at April 1, 2025	197	590	89	706	1,582
Depreciation charge during the year	36	267	26	168	497
Depreciation on disposals / write off	-	-	-	(1)	(1)
Translation difference	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>233</b>	<b>857</b>	<b>115</b>	<b>873</b>	<b>2,078</b>
<b>Net carrying value</b>					
As at March 31, 2026	44	22	76	164	306
As at March 31, 2025	80	289	102	286	757

\* For purchase of property, plant and equipment from related party refer note 34





## Trade receivable ageing schedule

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>								
Undisputed trade receivables - considered good	-	122	6,679	8,119	37	-	-	14,957
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>122</b>	<b>6,679</b>	<b>8,119</b>	<b>37</b>	-	-	<b>14,957</b>
<b>As at March 31, 2025</b>								
Undisputed trade receivables - considered good	-	182	8,108	3,211	-	-	-	11,501
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(1)	(21)	(1)	-	-	-	(23)
<b>Total</b>	-	<b>181</b>	<b>8,087</b>	<b>3,210</b>	-	-	-	<b>11,478</b>

## 6.3 : Cash and cash equivalents

## Balances with banks

In current accounts

142 181

In EEFC accounts

165 -

## Total

307 181

## 6.4 : Loans (Carried at amortised cost, unless otherwise stated)

## Unsecured, considered good

## Loans and advances to related parties

Inter-corporate deposits (Refer note 34)

650 -

## Total

650 -

## 6.5 : Other financial assets (Carried at amortised cost, unless otherwise stated)

## Unsecured, considered good

## Reimbursement of expenses receivable from related party (Refer note 34)

8 6

## Security deposits

- 3

## Fair value of forward contracts (Refer note 25 &amp; 26)

- 70

## Other assets

- 17

## Total

8 96

Information about the Company's exposure to credit, liquidity and market risks for other financial assets are included in note 27

## 7 : Other current assets

## Unsecured, considered good

## Advances to employees

4 1

## Prepaid expenses

16 25

## Balances with government authorities

GST credit receivable

26 21

## Other recoverables

35 14

## Total

81 61

## 8 : Equity share capital

## Authorized

150,000 equity shares of face value ₹ 10/- each

15 15

(As at March 31, 2025 - 150,000 equity shares of face value ₹ 10/- each)

## Issued

10,000 equity shares of face value ₹ 10/- each fully paid-up

1 1

(As at March 31, 2025 - 10,000 equity shares of face value ₹ 10/- each)

## Subscribed and paid-up

10,000 equity shares of face value ₹ 10/- each fully paid-up

1 1

(As at March 31, 2025 - 10,000 equity shares of face value ₹ 10/- each)

## Total

1 1



	As at March 31, 2026	As at March 31, 2025
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Refer note (i) to (vii) below

**Notes :****i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year**

## Equity shares with voting rights

Number of shares outstanding at the beginning of the year  
Add: Shares issued during the year  
Number of shares outstanding at the end of the year

As at March 31, 2026		As at March 31, 2025	
No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
10,000	1	10,000	1
-	-	-	-
<b>10,000</b>	<b>1</b>	<b>10,000</b>	<b>1</b>

**ii) Details of rights, preferences and restrictions attached to each class of shares**

The Company has one class of equity shares having a par value of ₹ 10/-. Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board and approved by the shareholders.

In the event of liquidation by the Company, the holders of the equity shares will be entitled to receive in proportion to the number of equity shares held by them, the remaining assets of the Company.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**iii) Details of shares held by Holding Company**

## Equity shares with voting rights

Sonata Software Limited (Holding Company) and its nominees  
% of holding

10,000	10,000
100	100

**iv) Details of shares held by each shareholder holding more than 5% shares**

Sonata Software Limited (Holding Company) and its nominees

No. of shares held  
% of holding

10,000	10,000
100	100

**v) Details of shares held by each promoter**

Sonata Software Limited (Holding Company) and its nominees

No. of shares held  
% of holding

10,000	10,000
100	100

**vi) Distributions of dividend**

During the year ended March 31, 2026, on account of final dividend for the year ended March 31, 2025, the Company has incurred a net cash outflow of ₹ 2,500 lakhs and interim dividend of ₹ 2,000 lakhs for the year ended March 31, 2026. (During the year ended March 31, 2025, on account of final dividend for the year ended March 31, 2024 the Company has incurred a net cash outflow of ₹

vii) The Company has not issued any shares for consideration other than cash or bought back during the period of five years immediately preceding the reporting date. Further, there are no bonus shares issued during the period of 5 years immediately preceding the reporting date. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

**9 : Other equity****Retained earnings**

Opening balance  
Profit for the year

16,997	12,164
5,836	7,133

Less :

Dividend paid

(4,500)	(2,300)
---------	---------

**Closing balance**

<b>18,333</b>	<b>16,997</b>
---------------	---------------

Retained earnings comprises of the amounts that can be distributed as dividends to its equity share holders.

**Remeasurement of the defined benefit plans**

Opening balance  
For the year, (net of tax)

(21)	(25)
(84)	4

**Closing balance**

<b>(105)</b>	<b>(21)</b>
--------------	-------------

The remeasurement of (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss recognized in other

**Effective portion of cash flow hedges**

Opening balance  
Exchange differences on cash flow hedges, (net of tax)

5	(5)
(99)	10

**Closing balance**

<b>(94)</b>	<b>5</b>
-------------	----------

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income.

**Total**

<b>18,134</b>	<b>16,981</b>
---------------	---------------

**10. Non-current financial liabilities****10 : Lease liabilities**

Lease liabilities (Refer note 35)

Total

2,797	2,905
-------	-------

<b>2,797</b>	<b>2,905</b>
--------------	--------------



**11. Current financial liabilities**

**11.1 : Lease liabilities**

Lease liabilities (Refer note 35)

396

379

**Total**

**396**

**379**

**11.2 : Trade payables \***

Trade payables

Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 24)

2

-

Total outstanding dues of creditors other than micro and small enterprises - other than acceptances

47

38

**Total**

**49**

**38**

\* No trade payable are due to directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other payables are due to firms or private companies respectively in which any director is a partner, a director or a member.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 27

**Trade payables ageing schedule**

Particulars	Accrued expenses	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>							
Total outstanding dues of micro enterprises and small enterprises	-	2	-	-	-	-	2
Total outstanding dues of creditors other than micro enterprises and small enterprises	33	8	6	-	-	-	47
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small	-	-	-	-	-	-	-
<b>Total</b>	<b>33</b>	<b>10</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>
<b>As at March 31, 2025</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	29	1	8	-	-	-	38
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>29</b>	<b>1</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>

**11.3 : Other financial liabilities**

Payable on acquisition of property, plant and equipment (Included balances payable to related parties - refer note 34)

-

18

Employee benefits payable

116

149

Reimbursable expenses payable to related party (Refer note 34)

900

372

Fair value of forward contracts (Refer note 25 & 26)

246

23

**Total**

**1,262**

**562**

Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 27

**12 : Other current liabilities**

Other payables

Statutory remittances

39

72

Other liabilities

2

2

**Total**

**41**

**74**

**13 : Provisions**

Provision for employee benefits

Provision for compensated absences (Refer note 29)

120

66

Provision for gratuity (Refer note 29)

110

17

**Total**

**230**

**83**

**14 : Current tax liabilities (net)**

Provision for tax (net of advance tax ₹ 1,474 (for March 31, 2025 is ₹ 2,943))

48

190

**Total**

**48**

**190**



Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>15A: Income tax assets</b>		
The income tax asset is ₹ 171 Lakhs (net of provision for tax of ₹ 3,925 Lakhs) as at March 31, 2026 and ₹ 77 Lakhs (net of provision for tax of ₹ 1,989 Lakhs) as at March 31, 2025.		
<b>(a) Income tax expense in the statement of profit and loss consists of:</b>		
<b>Current Tax:</b>		
In respect of current year	1,241	1,444
<b>Deferred Tax:</b>		
In respect of current year	(151)	(310)
<b>Total Income tax expense recognised in the statement of profit and loss</b>	<b>1,090</b>	<b>1,134</b>
<b>(b) Income tax recognised in other Comprehensive income consists of:</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
On remeasurement of defined benefit plan	14	(1)
On net movement on effective portion of cash flow hedges	17	(2)
<b>Total</b>	<b>31</b>	<b>(3)</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax	6,926	8,267
Enacted income tax rate in India	29.12%	27.82%
Computed expected tax expense	2,017	2,300
<b>Effect of:</b>		
Income exempt from tax	(1,116)	(1,230)
Expenses that are not deductible in determining taxable profit	49	20
Items that are deductible in determining taxable profit	(28)	-
Effect relating to prior years	48	-
Others	120	44
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1,090</b>	<b>1,134</b>

The applicable Indian corporate statutory tax rate for the year ended March 31, 2026 is 29.12% (year ended March 31, 2025 is 27.82%)

The Company is having unit in Bengaluru registered as Special Economic Zone (SEZ) units, which is entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

Under the Income-tax Act, 1961, SSSL is liable to pay Minimum Alternate Tax (MAT) in the tax holiday period as Company is eligible for 50% deduction under normal computation in the financial year 2025-26 (The Company was eligible for 50% deduction under normal computation in the financial year 2024-25). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognized as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Based on our assessment, the new disclosure provisions related to Pillar Two legislation have no impact on the Company. We do not expect any exposure to top-up taxes, and therefore no additional disclosures are required at this stage.

**15B: Deferred tax assets**

**Deferred tax assets / (liabilities) as at March 31, 2026 in relation to:**

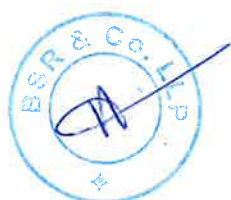
₹ in lakhs

Particulars	As at April 1, 2025	Recognized in profit & loss	Recognized in other comprehensive income	As at March 31, 2026
MAT credit entitlement	3,547	77	-	3,624
Property, plant and equipment	75	27	-	102
Right to use asset	(317)	29	-	(288)
Lease liabilities	413	(11)	-	402
Defined benefit plans (Items that will not be reclassified to profit/(loss))	(1)	-	14	13
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	(1)	-	17	16
Others, including employee and other payables	7	29	-	36
<b>Total</b>	<b>3,723</b>	<b>151</b>	<b>31</b>	<b>3,905</b>

**Deferred tax assets / (liabilities) as at March 31, 2025 in relation to:**

₹ in lakhs

Particulars	As at April 1, 2024	Recognized in profit & loss	Recognized in other comprehensive income	As at March 31, 2025
MAT credit entitlement	3,415	132	-	3,547
Property, plant and equipment	-	75	-	75
Right to use asset	-	(317)	-	(317)
Lease liabilities	-	413	-	413
Defined benefit plans (Items that will not be reclassified to profit/(loss))	-	-	(1)	(1)
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	1	-	(2)	(1)
Others, including employee and other payables	-	7	-	7
<b>Total</b>	<b>3,416</b>	<b>310</b>	<b>(3)</b>	<b>3,723</b>



## SONATA SOFTWARE SOLUTIONS LIMITED

## Notes to the financial statements for the year ended March 31, 2026

₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>16.1 : Revenue from operations</b>		
Revenue from software services *	12,931	15,565
<b>Total</b>	<b>12,931</b>	<b>15,565</b>
* Refer note 21 for disaggregate revenue information and refer note 34 for related parties revenue from software services.		
<b>16.2 : Other income</b>		
Interest income*	8	189
Net gain on investments carried at fair value through profit or loss	59	18
Net gain/(loss) on derivatives carried at fair value through profit or loss	(258)	(82)
Net gain/(loss) on foreign currency transactions	1,439	82
<b>Total</b>	<b>1,248</b>	<b>207</b>
*Interest income comprises of:		
Interest on bank balances and bank deposits	-	176
Interest on Inter-corporate deposits (Refer note 34)	8	-
Interest income on Income tax refund	-	13
<b>17 : Employee benefits expense</b>		
Salaries, wages and bonus	4,983	5,312
Contributions to provident and other funds (Refer note 29)	309	293
Staff welfare expenses	58	49
<b>Total</b>	<b>5,350</b>	<b>5,654</b>
<b>18 : Finance costs</b>		
Interest expense on:		
Inter corporate borrowings (Refer note 34)	7	2
Lease liabilities (Refer note 35)	307	314
Other borrowing costs	2	-
<b>Total</b>	<b>316</b>	<b>316</b>
<b>19 : Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3)	497	650
Depreciation of right on use assets (Refer note 35)	229	229
<b>Total</b>	<b>726</b>	<b>879</b>
<b>20 : Other expenses</b>		
Power and fuel	42	48
Rent (Refer note 35)	40	51
Repairs and maintenance - Machinery	8	7
Insurance	87	92
Rates and taxes	1	5
Communication cost	53	47
Facility maintenance	128	135
Travelling and conveyance expenses	22	32
Professional and technical fees	85	50
Legal fees	34	-
Insourcing professional fees	14	1
Software license fees	6	6
Expenditure on corporate social responsibility (Refer note 32)	166	137
Payments to auditors (refer note below)	11	9
Net loss on fixed assets sold / scrapped	1	-
Impairment loss/(gain) recognized on trade receivable	(23)	-
Miscellaneous expenses	40	36
<b>Total</b>	<b>715</b>	<b>656</b>
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	9	7
Other services	2	2
	<b>11</b>	<b>9</b>



## 21 Revenue from software services

## Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	India	Other than India	India	Other than India
Time and material (over the period)	57	12,874	-	15,565
<b>Total</b>	<b>57</b>	<b>12,874</b>	<b>-</b>	<b>15,565</b>

₹ in lakhs

## 22 Capital commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided	23	-

₹ in lakhs

## 23 Contingent liabilities

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

## 24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. This information as required under Micro, small and medium enterprises development Act, 2006 [MSMED] has been determined to the extent such parties have been identified on the basis of information available with the Company are as below:

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

₹ in lakhs

## 25 Financial instruments

The carrying value of financial instruments by categories as at March 31, 2026 is as follows:

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>					
Security deposits	4.2	-	-	257	257
Trade receivables	6.2	-	-	14,957	14,957
Cash and cash equivalents	6.3	-	-	307	307
Loans	6.4	-	-	650	650
Other financial assets	4.2 & 6.5	-	-	8	8
<b>Total assets</b>				<b>16,179</b>	<b>16,179</b>
<b>Financial liabilities</b>					
Trade payables	11.2	-	-	49	49
Lease liabilities	10 & 11.1	-	-	3,193	3,193
Other financial liabilities	11.3	-	-	1,016	1,016
Forward contracts	11.3	137	109	-	246
<b>Total liabilities</b>		<b>137</b>	<b>109</b>	<b>4,258</b>	<b>4,504</b>

₹ in lakhs



The carrying value of financial instruments by categories as at March 31, 2025 is as follows:

₹ in lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
<b>Financial assets</b>					
Security deposits	4.2 & 6.4	-	-	260	260
Investment in mutual fund (quoted)	6.1	2,032	-	-	2,032
Trade receivable	6.2	-	-	11,478	11,478
Cash and cash equivalents	6.3	-	-	181	181
Other financial assets	4.2 & 6.5	-	-	23	23
Forward contracts	6.5	44	26	-	70
<b>Total</b>		<b>2,076</b>	<b>26</b>	<b>11,942</b>	<b>14,044</b>
<b>Financial liabilities</b>					
Trade payables	11.2	-	-	38	38
Lease liabilities	10 & 11.1	-	-	3,284	3,284
Other financial liabilities	11.3	-	-	539	539
Forward contracts	11.3	3	20	-	23
<b>Total</b>		<b>3</b>	<b>20</b>	<b>3,861</b>	<b>3,884</b>

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, inter corporate deposits, borrowings, lease liabilities and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted mutual funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.
- The Company enters into derivative financial instruments with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of banks, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognized at fair value.



## 26 Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2026 and March 31, 2025.

(i) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities are as under:

Particulars	Fair value as at		Fair value hierarchy
	As at	As at	
	March 31, 2026	March 31, 2025	
Investment in mutual funds - Refer note 6.1	-	2,032	Level 1
Foreign currency forward contracts (assets) - Refer note 6.5	-	70	Level 2
Foreign currency forward contracts (liabilities) - Refer note 11.3	246	23	Level 2

₹ in lakhs

There have been no transfers among Level 1 and Level 2 during the year.

## Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the balance sheet.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable

## Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Company uses derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

The following table summarizes the activities in the statement of profit and loss and other comprehensive income:

Particulars	Year ended	
	March 31, 2026	March 31, 2025
<b>Derivatives in hedging relationships</b>		
Effective portion of gain or (loss) recognized in OCI on derivatives	(116)	12
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	-	-

₹ in lakhs

The following table summarizes the activity in the accumulated 'Other comprehensive income' within equity related to all derivatives classified as cash flow hedges:

Particulars	Year ended	
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	5	(5)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	142	12
Net (loss) reclassified into statement of profit and loss on occurrence of hedged transactions	(258)	-
Deferred tax asset / (liability)	17	(2)
Cash flow hedging reserve (net of tax)	(94)	5

₹ in lakhs

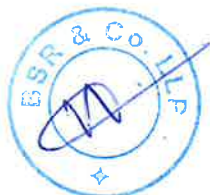
The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	As at	As at	As at	As at
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Amount in lakhs		₹ in Lakhs	
<b>Designated derivative instruments (Sell):</b>				
In USD	55	70	4,971	6,098

The foreign exchange forward contracts mature anywhere upto 18 months.

## Average rate of coverage:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in Lakhs	Weighted average rate (₹)	Amount in Lakhs	Weighted average rate (₹)
USD	55	91.21	70	87.10



The table below provides details regarding the contractual maturities of derivative instruments:

Particulars	Less than 6 months		6 - 12 months		More than 1 year	
	Net exposure (₹ in Lakhs)	Weighted average rate (%)	Net exposure (₹ in Lakhs)	Weighted average rate (%)	Net exposure (₹ in Lakhs)	Weighted average rate (%)
As at March 31, 2026						
USD	4,971	91.21				
As at March 31, 2025						
USD	3,824	86.90	1,602	86.57	672	89.60

## 27 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews policies for managing each of these risks, which are summarized below:

### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including financial assets and outstanding accounts receivable. The maximum exposure to credit risk at the reporting date is primarily from equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### Trade and other receivables

Management considers that the demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the company to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2026 is considered adequate.

The following table gives details in respect of revenues generated from customers having more than 10% of total revenue:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from customers having more than 10% of total revenue	11,633	14,550
Number of customers	1	2

### Geographic concentration of credit risk

Geographic concentration of trade receivables and allowance for credit loss is as follows:

Particulars	₹ in Lakhs			
	As at March 31, 2026		As at March 31, 2025	
	India	Other than India	India	Other than India
Trade receivables (Billed)	70	14,887	-	11,501
Allowance for credit loss	-	-	-	23
% of credit loss to trade receivables	0%	0%	-	0.20%

### Expected credit loss

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. There are no trade receivables or other financial assets which have a significant increase in credit risk.

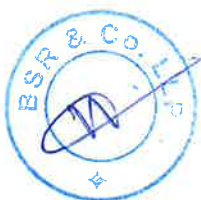
### Movement in allowances for credit losses

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	23	40
Allowance for expected credit loss (net)	(23)	23
Bad debts written off during the year	-	(40)
<b>Balance at the end of the year</b>	<b>-</b>	<b>23</b>

The Company made necessary applications during the year to regularize through its Authorized Dealer Banks for receivables on export services which are outstanding as at March 31, 2025 for a period exceeding the time limits for receipt of foreign currency receivables under Foreign Exchange Management Act, 1999. The Company does not anticipate that the outcome of this matter will have a material adverse impact on its financial statements.

### Investments and bank balances

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.



## ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the Company has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The Company manages liquidity risk by maintaining adequate reserves, banking facilities.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The liquidity position of the Company is given below:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	307	181
Investments in mutual funds (quoted)	-	2,032
Loans	650	-
Trade receivables	14,957	11,478
Other current financial assets	8	26
Derivative financial instruments - cash flow hedge	-	70
Other current assets	81	61

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2026 and as at March 31, 2025:

Particulars	₹ in Lakhs		
	As at March 31, 2026		
	Less than 1 year	1-2 years	2 years & above
Trade payables	49	-	-
Lease liabilities	417	436	4,268
Other financial liabilities	1,016	-	-
Derivative financial instruments - cash flow hedge	246	-	-

Particulars	₹ in Lakhs		
	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Trade payables	38	-	-
Lease liabilities	399	417	4,704
Other financial liabilities	539	-	-
Derivative financial instruments - cash flow hedge	23	-	-

## iii) Market risk

## Foreign currency exchange rate risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollar, British pound sterling and Euro). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The details in respect of items designated as hedging instruments are given below:

Particulars	₹ in Lakhs						
	As at March 31, 2026			For the year ending March 31, 2026			
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
Assets		Liabilities					
Forward contracts - sales & receivables	4,971	-	246	Fair value of forward contracts under other financial assets and other financial liabilities.	(116)	(258)	Other income

Particulars	₹ in Lakhs						
	As at March 31, 2025			For the year ending March 31, 2025			
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
Assets		Liabilities					
Forward contracts - sales & receivables	6,098	70	23	Fair value of forward contracts under other financial assets and other financial liabilities.	12	(82)	Other income



SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2026

In respect of the Company's forward contracts, a 1% decrease/ increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

- a) an approximately ₹ 52 lakhs increase and decrease in the Company's net profit as at March 31, 2026;  
 b) an approximately ₹ 61 lakhs increase and decrease in the Company's net profit as at March 31, 2025;

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2026 and as at March 31, 2025.

Exposure currency	₹ in Lakhs			
	USD	GBP	EUR	Other currencies*
<b>As at March 31, 2026</b>				
<b>Assets</b>				
Trade receivables	14,515	323	87	32
Cash and cash equivalents	-	-	-	-
<b>Liabilities</b>				
Trade payable	24	-	-	-
<b>Net assets/(liabilities)</b>	<b>14,491</b>	<b>323</b>	<b>87</b>	<b>32</b>

Exposure currency	₹ in Lakhs			
	USD	GBP	EUR	Other currencies*
<b>As at March 31, 2025</b>				
<b>Assets</b>				
Trade receivables	10,458	655	210	178
Cash and Cash equivalents	9	-	-	-
<b>Liabilities</b>				
Trade payable	-	-	-	-
<b>Net assets/(liabilities)</b>	<b>10,467</b>	<b>655</b>	<b>210</b>	<b>178</b>

\*Others include currencies such as Singapore Dollar, Australian Dollar, etc.

A reasonably possible strengthening by 1% of USD, GBP, EUR and other currencies against the Indian Rupee as at March 31, 2026 and March 31, 2025 will affect the statement of profit and loss by the amounts shown below:

Currencies	₹ in Lakhs	
	March 31, 2026	March 31, 2025
USD	145	105
GBP	3	7
EUR	1	2
Other currencies	-	2
<b>Total</b>	<b>149</b>	<b>116</b>

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments. The Company's investments are primarily short-term, which do not expose it to significant interest rate risk.

**28 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the Company consists of the following:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Total equity attributable to the equity share holders of the Company	18,135	16,982
As percentage of total capital	85%	84%
Total borrowings	-	-
Total lease liabilities	3,193	3,284
<b>Total borrowings and lease liabilities</b>	<b>3,193</b>	<b>3,284</b>
As a percentage of total capital	15%	16%
<b>Total capital (borrowings and equity)</b>	<b>21,328</b>	<b>20,266</b>

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has generally been a net cash Company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds.

**29 Employee benefit plans**

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational safety, Health and Working Conditions Code, 2020, (Labour Codes) which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

Based on the requirements of New Labour Codes and relevant Accounting Standards, the Company has estimated the liability for employee benefits, which has resulted in an incremental expense, on account of recognition of past service costs. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality, regulatory-driven, non-recurring nature of this impact, the Company has presented the same as an 'Exceptional Item' in the statement of profit and loss for the year ended March 31, 2026 consisting of gratuity of ₹ 55 lakhs and compensated absences of ₹ 91 lakhs.

The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.



**i) Defined contribution plans**

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident and pension fund. The Company has no obligation other than the contribution to the provident and pension fund.

**a) Provident fund**

Employees receive benefits from government administered provident fund. The employer and employees each make periodic contributions to the government administered provident fund. A portion of the contribution is made to the government administered provident fund while the remainder of the contribution is made to the pension fund.

Provident fund contributions amounting to ₹ 131 lakhs (for the year ended March 31, 2025 ₹ 105 lakhs) has been charged to the statement of profit and loss (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense).

b) During the year the Company has recognised the following amounts in the statement of profit and loss towards employers contribution to:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Superannuation (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	50	61
National Pension Scheme (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	5	6
Other defined contribution plans (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	76	75

**ii) Defined benefit plans - Gratuity**

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. These defined benefit plan expose the Company to actuarial risks, such as interest rate risk, salary escalation risk, demographic risk etc.

**Gratuity is a defined benefit plan and Company is exposed to the following Risks:**

**Interest rate risk:** A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset liability matching (ALM) risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very low as insurance Companies have to follow stringent.

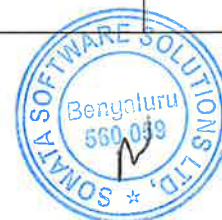
**As per valuation**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at	
	March 31, 2026	March 31, 2025
Discount rate(s)	7.23%	6.82%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	7.23%	6.82%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Weighted Average Duration of the Defined Benefit Obligation	4.07 years	4.37 years

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Service Cost:</b>		
Current service cost	46	45
Past service cost *	55	-
Net interest expense	1	1
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>102</b>	<b>46</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	16	(4)
Actuarial (gains) / losses arising from changes in financial assumptions	(9)	5
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	91	(6)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>98</b>	<b>(5)</b>



SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2026

The current service cost and the net interest expense for the year are included in the ' Note 17 Employee benefit expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(299)	(171)
Fair value of plan assets	189	154
<b>Net (liability) / assets arising from defined benefit obligation</b>	<b>(110)</b>	<b>(17)</b>
<b>Movements in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	171	118
Current service cost	46	45
Past service cost *	55	-
Interest cost	14	9
Benefits paid	(69)	-
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in financial assumptions	(9)	5
Actuarial (gains) / losses arising from experience adjustments	91	(6)
<b>Closing defined benefit obligation</b>	<b>299</b>	<b>171</b>
<b>Movements in the fair value of the plan assets are as follows:</b>		
Opening fair value of plan assets	154	100
Interest income	13	8
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions from the employer to Gratuity fund	107	42
Benefits paid	(69)	-
Return on plan assets, excluding interest income	(16)	4
<b>Closing fair value of plan assets</b>	<b>189</b>	<b>154</b>

\* Impact in expense is on account of change in wage definition as per new labour codes

The major categories of plan assets as a percentage of total plan are as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Insurer managed funds	100%	100%
Category of funds:		
Secure fund	53.82%	48.91%
Defensive fund	22.65%	24.80%
Balanced fund	23.53%	26.28%

Sensitivity for significant actuarial assumptions is computed to show the impact on net defined benefit obligation by 1%:

Particulars	₹ in Lakhs					
	As at March 31, 2026		As at March 31, 2025			
	Increase	Decrease	Increase	Decrease		
Discount rate (1% movement)	(21)	24	(13)	15		
Future salary growth (1% movement)	25	(22)	16	(14)		
Employee turnover rate (1% movement)	1	(2)	(1)	1		

The Company expects to contribute ₹ 199 lakhs to its defined benefit plans during the next fiscal year.

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments:

Particulars	₹ in Lakhs				
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	299	171	118	72	33
Fair value of plan assets	189	154	100	50	27
Surplus / (deficit)	110	(17)	(18)	(23)	(6)
Experience adjustments on plan liabilities - (gain)/losses	91	(6)	(2)	10	12
Return on plan assets, excluding interest income	(16)	4	(13)	(1)	-



## Maturity profile of defined benefit obligation:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Within 1 year	36	2
1-2 years	32	15
2-3 years	31	20
3-4 years	36	20
4-5 years	31	23
5 years and Above	439	260

The Group (Sonata Software Limited and subsidiaries) has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance Company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

## iii ) Other employee benefits - Compensated absences

## As per valuation

The compensated absence obligations includes the Company's liability for earned leave and sick leave.

## The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.23%	6.82%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2%	2%

The amount included in the balance sheet arising from the Company's obligation in respect of its compensated absences is as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Current liability	120	66
Present value of compensated absences	120	66

Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 1%.

Particulars	₹ in Lakhs			
	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6)	7	(2)	2
Future salary growth (1% movement)	7	(6)	2	(2)
Withdrawal rate (1% movement)	(1)	1	(2)	3

## Maturity profile of compensated absences:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Within 1 year	31	5
1-2 years	19	4
2-3 years	15	3
3-4 years	12	3
4-5 years	10	4
5 years and above	39	11

## 30 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment i.e. IT Services. Customers are pre-dominantly situated outside India i.e. only one geographical segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and one geographical segment, hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements. The non-current assets are substantially situated in India.



**31 Earnings per share**

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax attributable to equity shareholders (a)	5,836	7,133
Weighted average number of equity shares outstanding during the year for basic EPS (b)	10,000	10,000
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	10,000	10,000
Basic earning per share (a/b) (₹ in INR)	58,373	71,324
Diluted earning per share (a/c) (₹ in INR)	58,373	71,324

**32 Corporate social responsibility**

As per Section 135 of Companies Act, 2013 a company meeting the applicability threshold, needs to spend at least 2% of its average net profit of the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Companies Act, 2013. The CSR initiatives are focused towards diversity and inclusion, healthcare, education, water conservation, and wildlife conservation.

(i) Gross amount required to be spent by the Company and approved by Board of Directors during the year is ₹ 166 lakhs (Previous year is ₹ 137 lakhs).

(ii) Amount spent during the year is ₹ 172 lakhs (Previous year is ₹ 139 lakhs).

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	172	-	172	139	-	139
<b>Total</b>	<b>172</b>	<b>-</b>	<b>172</b>	<b>139</b>	<b>-</b>	<b>139</b>

₹ in Lakhs

(iii) Amount unspent is ₹ Nil (Previous year is ₹ Nil).

(iv) Excess amount spent:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(1)	1
Add: Amount required to be spent during the year	166	137
Less: Amount spent during the year	172	139
<b>Closing balance [short / (excess) spent]</b>	<b>(7)</b>	<b>(1)</b>



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**33. Distributions made and proposed (Refer note 8 & 9) :**

The Board of Directors at their meeting held on May 04, 2026 had declared a final dividend of 250,000% (₹ 25,000/- per equity share of par value of ₹ 10 each), which is subject to approval of shareholders. The Board of Directors at their meeting held on November 10, 2025 had declared and paid an interim dividend of 100,000% (₹ 10,000/- per equity share of par value of ₹ 10 each). The Board of Directors at their meeting held on January 29, 2026 had declared and paid an interim dividend of 100,000% (₹ 10,000/- per equity share of par value of ₹ 10 each)

The Board of Directors at their meeting held on May 05, 2025 had declared and paid a final dividend of 250,000% (₹ 25,000/- per equity share of par value of ₹ 10 each) after the approval of shareholders.

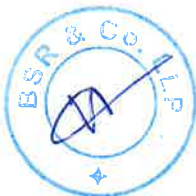
**34. Related party disclosure**

**i) Details of related parties :**

Description of relationship	Names of related parties
a) Holding Company	Sonata Software Limited
b) Subsidiaries	Sonata Software Solutions - Egypt
c) Fellow subsidiaries	Sonata Information Technology Limited Sonata Software North America Inc. Sonata Europe Limited Sonata Australia Pty Ltd Sonata Software Intercontinental Limited Encore Software Services, Inc. Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.) Sonata Software Canada Limited
(d) Post-employment benefit plan (Refer note 29)	Sonata Software Limited Gratuity Fund Sonata Software Officers' Superannuation Fund
(e) Key management personnel (KMP)	Mr. Jagannathan Chakravarthi, Director Mr. Suresh H P, Director Mr. Satish Kumar Nuggu, Director

**ii) Transactions with related parties :**

Particulars	₹ in lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Rendering of services</b>		
Sonata Software Limited	57	-
Sonata Software North America Inc.	11,633	12,789
Sonata Europe Limited	911	1,762
Sonata Australia Pty Ltd	216	558
Sonata Software Intercontinental limited	41	224
Sonata Software Canada Limited	25	73
Encore Software Services, Inc.	-	120
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	48	39
<b>Purchase of property, plant and equipment</b>		
Sonata Software Limited	-	16
<b>Reimbursement of expenses received</b>		
Sonata Software Limited	6	-
Sonata Software North America Inc.	-	3
Sonata Europe Limited	-	3
<b>Reimbursement of expenses paid</b>		
Sonata Software Limited	4	10
Sonata Software North America Inc.	-	7
Sonata Europe Limited	428	295



SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2026

₹ in lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Inter-corporate loans given</b> <sup>3</sup>		
Sonata Software Limited	1,300	-
<b>Inter-corporate loans recovered</b> <sup>3</sup>		
Sonata Software Limited	650	-
<b>Inter-corporate loans received</b> <sup>2</sup>		
Sonata Information Technology Limited	1,740	408
<b>Inter-corporate loans repaid</b> <sup>2</sup>		
Sonata Information Technology Limited	1,740	408
<b>Interest Income on Inter-corporate loans</b>		
Sonata Software Limited	8	-
<b>Interest expense on Inter-corporate loans</b>		
Sonata Information Technology Limited	7	2
<b>Dividend paid</b>		
Sonata Software Limited	4,500	2,300

iii) Balances outstanding at the end of the year

₹ in lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Trade receivables (Gross carrying amount)</b>		
Sonata Software Limited	70	-
Sonata Software North America Inc.	14,440	10,407
Sonata Europe Limited	323	655
Sonata Australia Pty Ltd	22	172
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	-	51
Sonata Software Intercontinental Limited	87	210
Sonata Software Canada Limited	10	6
Sonata Information Technology Limited	5	-
<b>Payable on acquisition of property, plant and equipment</b>		
Sonata Software Limited	-	16
<b>Reimbursement of expenses receivable</b>		
Sonata Software Limited	8	-
Sonata Software North America Inc.	-	6
<b>Reimbursement of expenses payable</b>		
Sonata Software Limited	2	10
Sonata Information Technology Limited	11	5
Sonata Europe Limited	883	357
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	4	-
<b>Inter-corporate loans receivable</b> <sup>3</sup>		
Sonata Software Limited	650	-

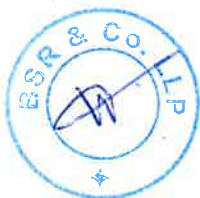
Loans to related parties comprise loans to the following that are repayable on demand:

₹ in lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
1) Sonata Software Limited		
Outstanding balance as on date	650	-
Maximum amount outstanding during the year	900	-

Terms and conditions with related party:

- The sales, purchases, loans given and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Inter corporate deposits availed for meeting working capital requirements are unsecured, repayable on demand in cash, at an interest rate ranges between 8.3% - 9.9%. The loan has been completely repaid during the year.
- Inter corporate loans represent unsecured amounts lent to the fellow Subsidiary for meeting working capital requirements and recoverable on demand in cash. Interest rate ranges between 8.3% - 9.9%. The loan has been partially recovered during the year.
- Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**35. Leases**

The Company leases mainly comprise of buildings. The Company leases buildings for operational purposes.

Following are the changes in the carrying value of right of use assets:

₹ in lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
	Buildings	Buildings
Balance at the beginning	2,519	2,748
Additions	-	-
Deletion	-	-
Depreciation for the year	(229)	(229)
<b>Balance at the end of the year</b>	<b>2,290</b>	<b>2,519</b>

Incremental borrowing rate used for discounting of lease liabilities is 9.46 % based on the lease term.

The Lease term is 15 years.

The following is the movement in lease liabilities:

₹ in lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	3,284	3,353
<b>Non-cash changes</b>		
Additions	-	-
Finance cost on lease liabilities	307	314
Deletions	-	-
<b>Cash changes</b>		
Payment of lease liabilities	(398)	(383)
<b>Balance at the end of the year</b>	<b>3,193</b>	<b>3,284</b>

The following is the break-up of lease liabilities based on their maturities:

₹ in lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Current lease liabilities	396	379
Non-current lease liabilities	2,797	2,905
<b>Total</b>	<b>3,193</b>	<b>3,284</b>

**Contractual maturities of lease liabilities**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Not later than one year	417	399
Later than one year and not later than 5 years	1,863	1,783
Later than 5 years	2,841	3,338

The Company recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

₹ in lakhs

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Finance cost on lease liabilities during the year (Refer note 18)	307	314
Depreciation on ROU assets (Refer note 19)	229	229
Rent expense pertaining to short-term lease (Refer note 20)*	40	51
<b>Total</b>	<b>576</b>	<b>594</b>

\* Pertains to rent on building and equipments does not qualify for lease recognition under Ind AS 116.



**SONATA SOFTWARE SOLUTIONS LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**36. The table below provides financial ratios:**

Ratio/Measure	Methodology	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance
Current ratio	Current assets over current liabilities	7.90	10.44	(24.37%)
Debt-equity ratio	Debt over total shareholders equity	0.18	0.19	(8.95%)
Debt service coverage ratio	EBITDA over current debt	11.19	13.61	(17.80%)
Return on equity ratio <sup>1</sup>	PAT over total average equity	0.33	0.49	(32.16%)
Trade receivable turnover ratio <sup>2</sup>	Revenue from operations over trade receivables	0.98	1.87	(47.80%)
Trade payable turnover ratio <sup>3</sup>	Adjusted expenses over trade payables	16.44	84.70	(80.59%)
Net capital turnover ratio <sup>4</sup>	Revenue from operations over working capital	0.95	1.53	(38.16%)
Net profit ratio	Net profit over revenue	0.45	0.46	(1.52%)
Return on capital employed	EBIT over capital employed	0.34	0.44	(22.82%)
Return on investment <sup>5</sup>	Interest income, net gain on sale of investments and net fair value gain over weighted average investments.	0.06	0.02	227.78%

**Notes:**

EBITDA - Earnings before interest, taxes, depreciation and amortization

PAT - Profit after taxes

EBIT - Earnings before interest and taxes.

Debt includes current and non-current lease liabilities.

Adjusted expenses derived from total expenses excluding depreciation and finance cost.

working capital derived from current assets in excess of current liabilities excluding borrowings & lease liabilities.

**Explanation for variances exceeding 25%:**

<sup>1</sup> Return on equity ratio is decreased on account of decrease in profit after tax during the financial year 2025-26

<sup>2</sup> Trade receivable turnover ratio is decreased on account of net increase in trade receivables and decrease in revenue from operations during the financial year 2025-26

<sup>3</sup> Trade payable turnover ratio is decreased on account of decrease in adjusted expenses during the financial year 2025-26

<sup>4</sup> Net capital turnover ratio is reduced due to decrease in revenue from operations during the financial year 2025-26

<sup>5</sup> Return on investment is increased due to increase in gain on investments during the financial year 2025-26

**37:** There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

**38: Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013:**

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(iv) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.

(v) No funds have been received by the Company from any person or entity, including foreign entity (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.



**SONATA SOFTWARE SOLUTIONS LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

(vi) The Company does not have any transaction which is 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company has not entered into any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 for the year ended 31 March 2026.

(x) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) during the year.

**The accompanying notes form an integral part of the financial statements**

**As per our report of even date attached**

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vivek Gopalakrishnan**

Partner

Membership No. 522796

Place : Bengaluru

Date : May 04, 2026

**For and on behalf of the Board of Directors of**

**Sonata Software Solutions Limited**

CIN: U72900MH2020PLC338150

**Jagannathan CN**

Director

DIN: 08255902

**Suresh HP**

Director

DIN: 10124549

Place : Bengaluru

Date : May 04, 2026

Place : Bengaluru

Date : May 04, 2026



## Independent Auditor's Report

**To the Members of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 ("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 31 March 2026, and its profit 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 in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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.

#### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and 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 state of affairs, profit/ loss and 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. The Management and Board of Directors of the Company are responsible for 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 Management and 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 Board of Directors is also responsible for overseeing the Company's financial reporting process..

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (*Continued*)

### Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)

#### 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 judgment and maintain professional skepticism 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 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

#### 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 Section 143(11) 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 A. 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

**Independent Auditor's Report (Continued)**

**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**

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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 flows 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.
  - e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures 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), as provided under (i) and (ii) above, contain any material misstatement.

**Independent Auditor's Report (Continued)**

**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**

- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in respective softwares, except for:

- In the absence of the change log over audit trail (edit log) facility at the application level in respect of primary accounting software used for maintaining books of accounts, we are unable to comment whether audit trail feature of the said software was enabled and operated at application layer throughout the year for all relevant transactions recorded in the software.

Additionally, based on our examination, where audit trail (edit log) facility was enabled and operated in the preceding years at the application layer, the audit trail has been preserved from the date of enablement as per the statutory requirements for record retention.

- In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the primary accounting software used for maintaining books of accounts, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at database layer for all relevant transactions recorded in such software.
- In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the application layer and database layer level for the software relating to recording of time by the resources as part of the revenue process, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at the application layer and database layer for all relevant transactions recorded in such software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

B S R & Co. LLP

**Independent Auditor's Report (Continued)**

**Sonata Software Technology Private Limited (formerly known as Quant  
Cloud Solutions Private Limited)**

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Vivek Gopalakrishnan**

*Partner*

Place: Bangalore

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN:26522796NYWPYL1480

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology services and solutions. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026 (Continued)**

Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company does not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company does not have any dues on account of Duty of Customs.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 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 basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
  - (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3 (ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026 (Continued)**

- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a wholly owned subsidiary of Sonata Software Limited (public listed Company) and accordingly exempt from the requirements as stipulated by the provisions of Section 177 of the Act. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(a) of the Order is not applicable.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the 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

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026 (Continued)**

that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Vivek Gopalakrishnan**

*Partner*

Place: Bangalore

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN:26522796NYWPYL1480

**Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

**Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited) for the year ended 31 March 2026 (Continued)**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022



**Vivek Gopalakrishnan**

*Partner*

Place: Bangalore

Date: 04 May 2026

Membership No.: 522796

ICAI UDIN: 26522796NYWPYL1480

**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**

**Balance Sheet**

₹ in Lakhs

	Note No	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	932	230
Right-of-use assets	38	1,801	-
Intangible asset	3.2	2	5
Financial assets			
Other financial assets	4	6,922	357
Deferred tax assets (net)	16B	-	12
Income tax assets (net)	16A	9	9
Other non-current assets	5	-	2,579
<b>Total non-current assets</b>		<b>9,666</b>	<b>3,192</b>
<b>Current assets</b>			
Financial assets	6		
Trade receivables	6.1	1,624	-
Cash and cash equivalents	6.2	279	767
Other financial assets	6.3	1,309	113
Other current assets	7	1,171	705
<b>Total current assets</b>		<b>4,383</b>	<b>1,585</b>
<b>Total assets</b>		<b>14,049</b>	<b>4,777</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	8	91	91
Other equity	9	4,758	3,452
<b>Total Equity</b>		<b>4,849</b>	<b>3,543</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	10		
Lease liabilities	10.1	5,880	-
Other financial liabilities	10.2	694	-
Other non-current liabilities	11	261	-
<b>Total non-current liabilities</b>		<b>6,835</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities	12		
Lease liabilities	12.1	1,093	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12.2	69	16
Other financial liabilities	12.3	283	193
Other current liabilities	13	636	958
Provisions	14	48	29
Current tax liabilities (net)	15	236	38
<b>Total current liabilities</b>		<b>2,365</b>	<b>1,234</b>
<b>Total equity and liabilities</b>		<b>14,049</b>	<b>4,777</b>

Summary of material accounting policies 2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan

Partner

Membership No. 522796

Place : Bengaluru

Date : 04 May 2026



For and on behalf of the Board of Directors of  
Sonata Software Technology Private Limited

CIN: U74900TG2015PTC099698

Jagannathan CN

Director

UIN: U82559U2

Place : Bengaluru

Date : 04 May 2026

Suresh HP

Director

UIN: IU124549

Place : Bengaluru

Date : 04 May 2026

**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**  
**Statement of Profit and Loss**

		₹ in Lakhs	
		For the year ended	For the year ended
	Note No	March 31, 2026	March 31, 2025
Revenue from operations	17	5,848	3,801
Other income	18	1,069	90
<b>Total income</b>		<b>6,917</b>	<b>3,891</b>
<b>EXPENSES</b>			
Employee benefits expense	19	3,686	2,823
Finance costs	20	762	6
Depreciation and amortization expense	21	478	155
Other expenses	22	211	259
<b>Total expenses</b>		<b>5,137</b>	<b>3,243</b>
<b>Profit before tax</b>		<b>1,780</b>	<b>648</b>
<b>Tax expense</b>			
Current tax	16A	469	151
Deferred tax	16A & 16B	10	(3)
<b>Net tax expense</b>		<b>479</b>	<b>148</b>
<b>Profit for the year</b>		<b>1,301</b>	<b>500</b>
<b>Other comprehensive income</b>			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		7	(6)
(b) Income tax relating to items that will not be reclassified to profit/(loss)	16A & 16B	(2)	2
		<b>5</b>	<b>(4)</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>5</b>	<b>(4)</b>
<b>Total comprehensive income for the year</b>		<b>1,306</b>	<b>496</b>
Earnings per share - (on ₹ 10 per share)			
Basic ₹	33	143.23	55.05
Diluted ₹		143.23	55.05
<b>Summary of material accounting policies</b>	2		

**The accompanying notes form an integral part of the financial statements.**


**As per our report of even date attached**

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
Sonata Software Technology Private Limited**  
CIN: U74900TG2015PTC099698

  
**Vivek Gopalakrishnan**  
Partner  
Membership No. 522796

  
**Jagannathan CN**  
Director  
DIN: 08255902

  
**Suresh HP**  
Director  
DIN: 10124549



Place : Bengaluru  
Date : 04 May 2026

Place : Bengaluru  
Date : 04 May 2026

Place : Bengaluru  
Date : 04 May 2026

**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**

**Statement of changes in equity**

**(a) Equity share capital**

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	91	91
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>91</b>	<b>91</b>

**(b) Other equity**

₹ in Lakhs

Particulars	Reserves and Surplus			Total Other Equity
	Securities premium	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at April 1, 2024	2,404	548	4	2,956
Profit for the year	-	500	-	500
Other comprehensive income (net of tax)	-	-	(4)	(4)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>500</b>	<b>(4)</b>	<b>496</b>
Balance as at March 31, 2025	2,404	1,048	-	3,452
Profit for the year	-	1,301	-	1,301
Other comprehensive income (net of tax)	-	-	5	5
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,301</b>	<b>5</b>	<b>1,306</b>
Balance as at March 31, 2026	2,404	2,349	5	4,758

Refer note 9 for nature and purpose of reserves.

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**Sonata Software Technology Private Limited**

CIN: U74900TG2015PTC099698

  
Vivek Gopalakrishnan

Partner

Membership No. 522796

  
Jagannathan CN

Director

DIN: 08255902

  
Suresh HP

Director

DIN: 10124549

Place : Bengaluru

Date : 04 May 2026

Place : Bengaluru

Date : 04 May 2026

Place : Bengaluru

Date : 04 May 2026



	For the year ended Mar 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,780	648
Adjustments for :		
Depreciation and amortization expense	478	155
Finance costs	761	6
Interest income	(840)	(90)
Gain on net investment in sub-lease	(125)	-
Rental income	(50)	-
Unrealized foreign exchange loss (net)	54	10
<b>Operating cash flows before movements in working capital</b>	<b>2,058</b>	<b>729</b>
<i>Changes in operating assets and liabilities:</i>		
Decrease / (Increase) in trade receivables	(1,678)	1
Decrease / (Increase) in other financial assets-current	110	(5)
Decrease / (Increase) other financial assets non-current	(81)	(357)
Decrease / (Increase) in other current assets	(466)	(549)
(Decrease) / Increase in trade payables	53	4
(Decrease) / Increase in other financial liabilities	90	43
(Decrease) / Increase in other current liabilities	(322)	958
(Decrease) / Increase in provisions	26	11
<b>Net cash flow from/(used) in operating activities before taxes</b>	<b>(210)</b>	<b>835</b>
Income taxes (paid) / refunds	(269)	(103)
<b>Net cash from/(used) in operating activities</b>	<b>(A) (479)</b>	<b>732</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(1,126)	(2,624)
Security deposit received	963	-
Rental receipts	1,340	-
Interest received	-	90
<b>Net cash from/(used in) in investing activities</b>	<b>(B) 1,177</b>	<b>(2,534)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment on lease liabilities	(1,186)	(146)
Interest paid	-	(1)
<b>Net cash flow from/(used) in financing activities</b>	<b>(C) (1,186)</b>	<b>(147)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) (488)</b>	<b>(1,949)</b>
Opening cash and cash equivalents	767	2,716
Exchange difference on translation of foreign currency Cash and cash equivalents		
<b>Closing cash and cash equivalents</b>	<b>279</b>	<b>767</b>
Cash and cash equivalents at the end of the year comprises: (refer note 6.2)		
Cash on hand	-	-
Balances with banks		
In current accounts	279	767
	<b>279</b>	<b>767</b>

Refer note 38 for changes in lease liabilities arising from financing activities and for non-cash financing activities

Summary of material accounting policies refer note

2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan

Partner

Membership No. 522796

Place : Bengaluru

Date : 04 May 2026

For and on behalf of the Board of Directors of

Sonata Software Technology Private Limited

CIN: U74900TG2015PTC099698

Jagannathan CN

Director

DIN: 08255902

Place : Bengaluru

Date : 04 May 2026

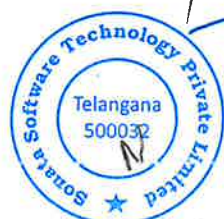
Suresh HP

Director

DIN: 10124549

Place : Bengaluru

Date : 04 May 2026



## 1 COMPANY OVERVIEW

Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited (the "Company")) is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customer in India and United States of America.

The Company is a private limited company incorporated on July 8, 2015 and domiciled in India with its registered office at Hyderabad and operationally headquartered at Hyderabad. The financial statements have been approved for issue by the Company's Board of Directors on May 04, 2026.

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

The company was renamed from Quant Cloud Solutions Private Limited to Sonata Software Technology Private Limited on August 22, 2025.

## 2 MATERIAL ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

#### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued thereafter, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and accounting principles generally accepted in India, as applicable to the standalone financial statements and other provisions of the Act.

#### b. Basis of measurement

The financial statements have been prepared on a historical cost convention on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 116 Leases. Also, net defined benefit – assets / liabilities is valued at fair value of plan assets less present value of defined benefit obligation.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. The operating cycle is the time between deployment of resources and the realization in cash or cash equivalents of the consideration for such services rendered. The company's normal operating cycle is twelve months.

#### Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. Transactions and balances with value below rounding off norm adopted by the Company have been reflected as '-' in relevant notes to the financial statements (as applicable).

All amounts rounded off to the nearest Rupees (₹) in Lakhs, except per share data and unless otherwise indicated. Transactions and balances with value below rounding off norm adopted by the Company have been reflected as '-' in relevant notes to the financial statements (as applicable).

#### d. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:



**i) Depreciation and amortisation**

Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**ii) Income taxes and deferred taxes**

The primary tax jurisdiction for the Company is India. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.2(h)

**iii) Leases**

The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company assesses whether it is reasonable certain to exercise the options if there is a significant event or significant changes in circumstances within the control. The policy for the same has been explained under note 2.2(d).

**2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

**b. Depreciation/ Amortisation**

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values and is generally recognised in the statement of profit and loss.

Depreciation has been provided on Lease hold improvements, Software and plant and equipments on the straight line method and on furniture and fixtures and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/(disposals) is provided from/ (upto) the date on which asset is ready for use/ (disposed off).

**Straight-line method**

Asset class	Useful life
Plant and machinery (Hardware)	3 years
Plant and machinery (Others)	15 years
Lease hold improvements	lease term

**Written down method**

Asset class	Percentage
Furniture and fixtures	25.89%
Office equipments	45.07%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company assesses at each balance sheet date whether there is objective evidence that a asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



**c. Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangible assets for the current and comparative period are as follows:

Category	Useful Life
Computer software	3 years

**d. Leases**

**As lessee**

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the a) contract involves the use of identified asset; b) Company has right to direct the use of the asset; c) the Company has substantially all the economic benefits from the use of asset through period of lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹ 500,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**As lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease by reference to the right-of-use asset arising from the head lease. Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessee under finance lease are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

The Company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

**e. Financial instruments**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.



## Non-derivative financial assets

### i. Financial assets at amortised cost

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

### Cash and cash Equivalents:

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and book overdraft which are considered part of the Company's cash management system.

### ii. Financial assets at fair value through other comprehensive income (FVTOCI)

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in other comprehensive income (OCI).

Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

### iii. Financial assets at fair value through profit and loss (FVTPL)

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc.

Financial assets included within the FVTPL category are measured at fair values at each reporting date with all changes recorded in the statement of profit and loss.

Financial assets are not reclassified subsequently unless if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. The Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Non-derivative financial liabilities

### Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

### Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## Derecognition of financial instruments

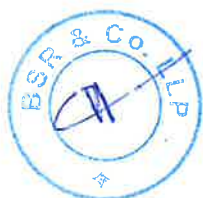
### Financial assets

The Company derecognises a financial asset when:

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

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.



**Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

**f. Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only legal or constructive obligation is to pay a fixed amount towards government administered scheme with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Provident fund:** The employees also make periodic contributions to the government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Gratuity:** The Company provides for Gratuity, a defined benefit plan covering the eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and tenure of the employment with the Company.

Liabilities with regard to the gratuity plan are determined by actuarial valuation performed by an independent actuary, at each Balance Sheet date using projected unit method. The Company fully contributes all ascertained liabilities to the trust managed by the Trustees of Sonata Software Limited Gratuity Fund. The Trustees administers the contributions made to the Trust. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to statement of profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

**Superannuation fund:** Certain employees of the Company are participants in a defined contribution plan of superannuation. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to the Sonata Software Limited Superannuation Fund, the corpus of which is invested with the Life Insurance Company.

**Short-term employee benefits**

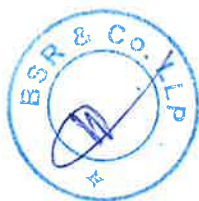
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in statement of profit or loss in the period in which they arise.

The obligations of compensated absences are presented as current liabilities in the balance sheet of the Company as the Company does not have an unconditional right to defer this settlement for at least 12 months from reporting date.



**g. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company's recognises any impairment loss on the assets associated with that contract.

**h. Income taxes**

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

**a) Current income tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) 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 income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

**i. Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**j. Revenue recognition**

The Company derives revenue primarily from Information Technology Services and Solutions provided to the Holding Company. Revenue is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, when (or as) the Company satisfies a performance obligation by transferring control of promised goods or services to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company accounts for a contract with a customer only when the contract is approved by the parties, the rights of the parties and payment terms can be identified, the contract has commercial substance and collection of consideration is probable.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

**Time and materials contracts:**

The Company enters into service contracts under which it is entitled to recover contractually agreed and eligible costs incurred in providing services, together with an agreed mark-up. Such contracts are generally billed on a monthly basis based on actual costs incurred and the applicable mark-up thereon. Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract assets have been disclosed as unbilled revenue within account receivable. Unearned and deferred revenue ("contract liability") is recognized when there are billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met. The Company continually reassesses the estimated discounts, rebates, price concessions, refunds, credits, incentives, performance bonuses, etc. (variable consideration) against performance obligation, each reporting period and recognizes changes to estimated variable consideration as changes to the transaction price (i.e. revenue) of the performance obligation.

**k. Dividend**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees to the shareholders after deducting the taxes at applicable rates.

**l. Foreign currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

For the purposes of presenting the financial statements assets and liabilities of Company's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**m. Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**n. Impairment**

**a) Financial assets :**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognised as income / expense in the statement of profit and loss.



**Credit impaired financial assets:**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;

**Write off-**The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in statement of profit and loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

**o. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**p. Contingent Liabilities**

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

**q. Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

**r. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

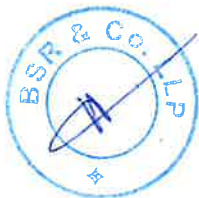
Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**2.3 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

The MCA had issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025 vide notification dated May 07, 2025 and August 13, 2025 respectively amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2026:

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.



**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**  
**Notes to the financial statements for the year ended March 31, 2026**

**3.1 Property, plant and equipment**

₹ in Lakhs

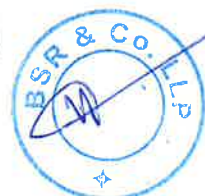
**Tangible assets**

Particulars	Plant & Machinery	Office Equipment	Leasehold Improvements	Furniture and fixtures	Total
<b>Cost</b>					
As at April 1, 2024	113	7	2	1	123
Additions	194	1	-	-	195
Disposal / Write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>307</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>318</b>
As at April 1, 2025	307	8	2	1	318
Additions*	28	37	740	131	936
Disposal / Write off	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>335</b>	<b>45</b>	<b>742</b>	<b>132</b>	<b>1,254</b>
<b>Accumulated Depreciation</b>					
As at April 1, 2024	49	2	-	-	51
Depreciation charge during the year	36	1	-	-	37
Depreciation on disposals / write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>85</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>88</b>
As at April 1, 2025	85	3	-	-	88
Depreciation charge during the year	98	18	84	34	234
Depreciation on disposals / write off	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>183</b>	<b>21</b>	<b>84</b>	<b>34</b>	<b>322</b>
As at March 31, 2025	222	5	2	1	230
<b>As at March 31, 2026</b>	<b>152</b>	<b>24</b>	<b>658</b>	<b>98</b>	<b>932</b>

**3.2 Intangible assets**

Particulars	Software	Total
As at April 1, 2024	9	9
Additions	-	-
Disposal / Write off	-	-
<b>As at March 31, 2025</b>	<b>9</b>	<b>9</b>
As at April 1, 2025	9	9
Additions	-	-
Disposal / Write off	-	-
<b>As at March 31, 2026</b>	<b>9</b>	<b>9</b>
<b>Accumulated Amortization</b>		
As at April 1, 2024	1	1
Amortization charge during the year	3	3
<b>As at March 31, 2025</b>	<b>4</b>	<b>4</b>
As at April 1, 2025	4	4
Amortization charge during the year	3	3
<b>As at March 31, 2026</b>	<b>7</b>	<b>7</b>
<b>Net carrying value</b>		
As at March 31, 2025	5	5
<b>As at March 31, 2026</b>	<b>2</b>	<b>2</b>

\* For purchase of property, plant and equipment from related party refer note 37



	As at March 31, 2026	As at March 31, 2025
<b>Non-current</b>		
<b>4 : Other financial assets (carried at amortized, unless otherwise stated)</b>		
Unsecured, considered good		
Other assets (Includes related party, refer note 37)	-	357
Security deposit	290	-
Finance lease receivable (Refer note 38)	6,632	-
<b>Total</b>	<b>6,922</b>	<b>357</b>
<b>5 : Other non-current assets</b>		
Unsecured, considered good		
Capital advances (Includes related party, refer note 37)	-	2,579
<b>Total</b>	<b>-</b>	<b>2,579</b>
<b>Current financial assets</b>		
<b>6.1 : Trade receivables (carried at amortized cost, less unless otherwise stated)</b>		
Unsecured *		
Billed		
Considered good	1,624	-
Less: Allowance for credit losses	-	-
<b>Total</b>	<b>1,624</b>	<b>-</b>

\* No trade receivable or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 37.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 27.  
For the amounts receivable from Related parties refer note 37.

**Trade receivable ageing schedule**

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2026</b>								
Undisputed trade receivables - considered good	-	1,004	428	192	-	-	-	1,624
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,004</b>	<b>428</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,624</b>
<b>As at March 31, 2025</b>								
Undisputed trade receivables - considered good	-	-	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6.2 : Cash and cash equivalents**

Balances with banks		
In current accounts	279	767
<b>Total</b>	<b>279</b>	<b>767</b>

**6.3 : Other financial assets (carried at amortized cost, unless otherwise stated)**

Unsecured, considered good		
Reimbursable expenses receivable from related party (Refer note 37)	3	-
Finance lease receivable (Refer note 38)	1,306	-
Security deposits	-	113
<b>Total</b>	<b>1,309</b>	<b>113</b>

**7 : Other current assets**

Unsecured, considered good		
Advances to employees	1	-
Prepaid expenses	8	8
Balances with Government authorities		
GST credit receivable	507	283
Other recoverables (Includes related party, refer note 37)	655	414
<b>Total</b>	<b>1,171</b>	<b>705</b>



₹ in Lakhs

	As at March 31, 2026	As at March 31, 2025
<b>8 : Equity share capital</b>		
<b>Authorized</b>		
10,00,000 equity shares of face value ₹ 10/- each (As at March 31, 2025 - 10,00,000 equity shares of face value ₹ 10/- each)	100	100
<b>Issued</b>		
9,08,337 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2025 - 9,08,337 equity shares of face value ₹ 10/- each)	91	91
<b>Subscribed and paid-up</b>		
9,08,337 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2025 - 9,08,337 equity shares of face value ₹ 10/- each)	91	91
<b>Total</b>	<b>91</b>	<b>91</b>

Refer notes (i) to (vii) below:

Notes :

i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
Equity shares with voting rights				
Number of shares outstanding at the beginning of the year	9,08,337	90.83	9,08,337	90.83
Add: Share issued	-	-	-	-
Number of shares outstanding at the end of the year	9,08,337	90.83	9,08,337	90.83

ii) Details of rights, preferences and restrictions attached to each class of shares

The Company has one class of equity shares having a par value of ₹ 10/-. Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board and approved by the shareholders.

In the event of liquidation by the Company, the holders of the equity shares will be entitled to receive in proportion to the number of equity shares held by them, the remaining assets of the Company. The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

iii) Details of shares held by Holding Company

	As at March 31, 2026	As at March 31, 2025
Equity shares with voting rights		
Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.) (Holding Company) and its nominees		
No. of shares held	9,08,337	9,08,337
% of holding	100%	100%

iv) Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2026	As at March 31, 2025
Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.) (Holding Company) and its nominees		
No. of shares held	9,08,337	9,08,337
% of holding	100%	100%

v) Details of shares held by each promoter

	As at March 31, 2026	As at March 31, 2025
Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.) (Holding Company) and its nominees		
No. of shares held	9,08,337	9,08,337
% of holding	100%	100%

vi) During the year ended March 31, 2026, there has been no dividend proposed and paid. (Previous year : Nil)

vii) The Company has not issued any shares for consideration other than cash or bought back during the period of five years immediately preceding the reporting date. Further, there are no bonus shares issued during the period of 5 years immediately preceding the reporting date. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

**9 : Other equity**

**Securities premium**

Opening balance	2,404	2,404
Premium received on issue of shares	-	-
<b>Closing balance</b>	<b>2,404</b>	<b>2,404</b>

Amount received on issue of shares in excess of the par value has been classified as security premium, net of utilisation.

**Retained earnings**

Opening balance	1,048	548
Profit for the year	1,301	500
<b>Closing balance</b>	<b>2,349</b>	<b>1,048</b>

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

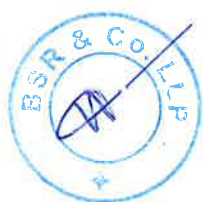
**Other Comprehensive Income**

**Remeasurement of the defined benefit plans**

Opening balance	-	4
For the year, (net of tax)	5	(4)
<b>Closing balance</b>	<b>5</b>	<b>-</b>

The remeasurement of (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss recognised in other comprehensive income.

<b>Total</b>	<b>4,758</b>	<b>3,452</b>
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	As at March 31, 2026	As at March 31, 2025
<b>Non-current financial liabilities</b>		
<b>10.1 : Lease liabilities</b>		
Lease liabilities (Refer note 38)	5,880	-
<b>Total</b>	<b>5,880</b>	<b>-</b>
<b>10.2 : Other financial liabilities</b>		
Security deposits payable (Refer note 37)	694	-
<b>Total</b>	<b>694</b>	<b>-</b>
<b>11 : Other non-current liabilities</b>		
Advance rental Income	261	-
<b>Total</b>	<b>261</b>	<b>-</b>
<b>Current liabilities</b>		
<b>12.1 : Lease liabilities</b>		
Lease liabilities (Refer note 38)	1,093	-
<b>Total</b>	<b>1,093</b>	<b>-</b>
<b>12.2 : Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 29)	-	-
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	69	16
<b>Total</b>	<b>69</b>	<b>16</b>

\* No trade payables or other payables are due to directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other payables are due to firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 37. For amounts payable to related parties, refer note 37. Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 27

**Trade payables ageing schedule**

Particulars	Accrued Expenses	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2026</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	56	9	3	1	-	-	69
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>56</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>69</b>
<b>As at March 31, 2025</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11	-	5	-	-	-	16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>11</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>

**12.3 : Other financial liabilities**

Employee benefits payable	29	12
Payable on acquisition of property, plant and equipment (Includes payable to related parties, refer note 37)	-	150
Reimbursable expenses payable to related party (Refer note 37)	254	31
<b>Total</b>	<b>283</b>	<b>193</b>

**13 : Other current liabilities**

Statutory payables	55	74
Advances from customers (Refer note 37)	544	884
Advance rental income	37	-
<b>Total</b>	<b>636</b>	<b>958</b>

**14 : Provisions**

Provisions for employee benefits		
Provision for gratuity (Refer note 30)	11	8
Provision for compensated absences (Refer note 30)	37	21
<b>Total</b>	<b>48</b>	<b>29</b>

**15 : Current tax liabilities (net)**

Provision for tax (net of advance tax ₹ 554 lakhs (for March 31, 2025 is ₹ 265 lakhs))	236	38
<b>Total</b>	<b>236</b>	<b>38</b>



Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>16A: Income taxes</b>		
The income tax asset is ₹ 9 Lakhs (net of provision for tax of ₹ 236 Lakhs) as at March 31, 2026 and ₹ 9 Lakhs (net of provision for tax of ₹ 38 Lakhs) as at March 31, 2025.		
<b>(a) Income tax expense in the statement of profit and loss consists of:</b>		
<b>Current Tax:</b>		
In respect of current year	469	151
<b>Deferred Tax:</b>		
In respect of current year	10	(3)
<b>Total Income tax expense recognised in the statement of profit and loss</b>	<b>479</b>	<b>148</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
On measurement of defined benefit plan	2	(2)
<b>Total</b>	<b>2</b>	<b>(2)</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax	1,780	648
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	448	163
<b>Effect of:</b>		
Expenses that are not deductible in determining taxable profit	4	(1)
Return true up	13	-
Others	14	(14)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>479</b>	<b>148</b>

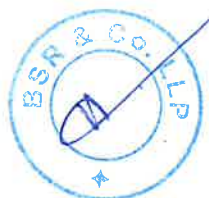
The applicable Indian corporate statutory tax rate for the year ended March 31, 2026 is 25.17% (year ended March 31, 2025 is 25.17%).

**16B: Deferred tax assets (net)**

Deferred tax assets / (liabilities) as at March 31, 2026 in relation to:

Particulars	As at March 31, 2025	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2026
Property, plant and equipment	(8)	44	-	36
Finance lease receivable	-	(78)	-	(78)
Right of use assets	(77)	(1,724)	-	(1,801)
Lease liabilities	78	1,755	-	1,833
Rent deposit and advances	-	(2)	-	(2)
Employee bonus	17	(15)	-	2
Expenses allowable on tax deduction	1	3	-	4
Leave encashment	7	2	-	9
Gratuity	(6)	5	(2)	(3)
<b>Net Deferred tax assets</b>	<b>12</b>	<b>(10)</b>	<b>(2)</b>	<b>-</b>

Particulars	As at March 31, 2024	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment	(1)	(7)	-	(8)
Right of use assets	(28)	(49)	-	(77)
Lease Liability	35	43	-	78
Employee bonus	-	15	2	17
Expenses allowable on tax deduction	-	1	-	1
Leave encashment	4	3	-	7
Gratuity	(3)	(3)	-	(6)
<b>Net Deferred tax assets</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>12</b>



₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>17 : Revenue from operations *</b>		
Revenue from software services	5,848	3,801
<b>Total</b>	<b>5,848</b>	<b>3,801</b>
* Refer note 23 for disaggregate revenue information and refer note 37 for related parties revenue from software services.		
<b>18 : Other income</b>		
Interest income*	840	88
Other rental Income	50	-
Interest on Income-tax refund	-	2
Net gain on foreign currency transactions	54	-
Gain on net investment in sub-lease	125	-
<b>Total</b>	<b>1,069</b>	<b>90</b>
*Interest income comprises of:		
Interest on bank balances and bank deposits	-	83
Interest on financial assets carried at amortised cost	17	5
Interest income on finance lease receivables (Refer note 38)	823	-
<b>19 : Employee benefits expense</b>		
Salaries, wages and bonus	3,537	2,711
Contributions to provident and other funds (Refer note 30)	130	78
Staff welfare expenses	19	34
<b>Total</b>	<b>3,686</b>	<b>2,823</b>
<b>20 : Finance costs</b>		
Interest expense on lease liabilities (Refer note 38)*	761	5
Bank charges	1	1
<b>Total</b>	<b>762</b>	<b>6</b>
*Interest expense comprises of:		
Interest expense on finance lease (Refer note 38)	719	-
Interest on refundable rent deposit received	42	-
<b>21 : Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3.1)	234	37
Amortization of intangible assets (Refer note 3.2)	3	3
Depreciation of right on use assets (Refer note 38)	241	115
<b>Total</b>	<b>478</b>	<b>155</b>
<b>22 : Other expenses</b>		
Electricity expense	34	-
Rent (Refer note 38)	3	165
Repairs and maintenance - Buildings	49	1
Repairs and maintenance	2	1
Rates and taxes	3	5
Communication expense	-	12
Travelling and conveyance expenses	-	2
Professional and technical fees	46	18
Net loss on foreign currency transactions	-	10
Software license fees (Includes related parties, refer note 37)	5	17
Expenditure on corporate social responsibility (Refer note 32)	9	5
Payments to auditors (refer note below)	11	10
Recruitment cost	26	11
Miscellaneous expenses	23	2
<b>Total</b>	<b>211</b>	<b>259</b>
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	10	10
Reimbursement of expenses	1	-
	<b>11</b>	<b>10</b>



23 Revenue from software services (Revenue recorded over period of time)

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the period ended March 31, 2026 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	₹ in Lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from software services (over the period)		
Time and material (Service provided to Companies incorporated in United States of America)	5,848	3,801
<b>Total</b>	<b>5,848</b>	<b>3,801</b>

Trade receivables and contract balances

Trade receivable are presented net of impairment in the balance sheet.

24 Contingent liabilities

The Company does not have any pending litigations which would have an adverse impact its financial position.

25 Commitments

	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

26 Financial instruments

The carrying value of financial instruments by categories as at March 31, 2026 is as follows:

Particulars	Note	₹ in Lakhs			
		As at March 31, 2026			
		Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>					
Other non-current financial assets	4	-	-	6,922	6,922
Trade receivables	6.1	-	-	1,624	1,624
Cash and cash equivalents	6.2	-	-	279	279
Other current financial assets	6.3	-	-	1,309	1,309
<b>Total</b>		-	-	<b>10,134</b>	<b>10,134</b>
<b>Financial liabilities</b>					
Trade payables	12.2	-	-	69	69
Other financial liabilities	10.2 & 12.3	-	-	977	977
Lease liability	10.1 & 12.1	-	-	6,973	6,973
<b>Total</b>		-	-	<b>8,019</b>	<b>8,019</b>

The carrying value of financial instruments by categories as at March 31, 2025 is as follows:

Particulars	Note	₹ in Lakhs			
		As at March 31, 2025			
		Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>					
Other non-current financial assets	4	-	-	357	357
Trade receivables	6.1	-	-	-	-
Cash and cash equivalents	6.2	-	-	767	767
Other current financial assets	6.3	-	-	113	113
<b>Total</b>		-	-	<b>1,237</b>	<b>1,237</b>
<b>Financial liabilities</b>					
Trade payables	12.2	-	-	16	16
Other financial liabilities	12.1 & 12.3	-	-	193	193
<b>Total</b>		-	-	<b>209</b>	<b>209</b>

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



27 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

The Board of Directors reviews policies for managing each of these risks, which are summarized below:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets such as cash and cash equivalents and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

Management considers that the demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the Company to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2026 is considered adequate.

The following table gives details in respect of revenues generated from customers having more than 10% of total revenue:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from customer having more than 10% of total revenue	5,848	3,801
Number of customers	2	1

₹ in Lakhs

Geographic concentration of credit risk

Geographic concentration of trade receivables and allowance for credit loss is as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	India	Other than India	India	Other than India
Trade receivables (Billed)	-	1,624	-	-
Allowance for credit loss	-	-	-	-
% of credit loss to trade receivables	0%	0%	0%	0%

₹ in Lakhs

Expected credit loss

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. There are no trade receivables or other financial assets which have a significant increase in credit risk.

Investments and bank balances

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the Company has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management.

The liquidity position of the Company is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
	Cash and cash equivalents	279
Trade receivables	1,624	-
Other financial assets	1,309	113
Other current assets	1,171	705

₹ in Lakhs

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2026 and as at March 31, 2025:

Particulars	As at March 31, 2026		
	Less than 1 year	1-2 years	2 years & above
Trade payables	69	-	-
Lease liabilities	1,153	1,207	7,825
Other financial liabilities	283	-	-

₹ in Lakhs

Particulars	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Trade payables	16	-	-
Other financial liabilities	958	-	-

₹ in Lakhs

iii) Market risk

Foreign currency exchange rate risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollar). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2026 and as at March 31, 2025.

Exposure currency	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Assets	USD	USD
Trade receivables (Refer note 37)	1,624	-
Net assets/(liabilities)	1,624	-

A reasonably possible strengthening by 1% of USD against the Indian Rupees as at March 31, 2026 and March 31, 2025 will affect the statement of profit and loss by the amounts shown below:

Currencies	₹ in Lakhs	
	March 31, 2026	March 31, 2025
USD	16.24	-

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments. The Company's investments are primarily short-term, which do not expose it to significant interest rate risk.

#### 28 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the Company consists of the following:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Total equity attributable to the equity share holders of the Company	4,849	3,543
As percentage of total capital	41%	95%
Total Lease liabilities	6,973	193
<b>Total borrowings and lease liabilities</b>	<b>6,973</b>	<b>193</b>
As a percentage of total capital	59%	5%
<b>Total capital (borrowings and equity)</b>	<b>11,822</b>	<b>3,736</b>

The Company has not availed any borrowings as at the reporting date. Accordingly, the liabilities primarily comprise lease liabilities recognised in accordance with Ind AS 116. The Company is equally financed through equity & liability, as reflected in its capital structure. Further, the Company has generally maintained a net cash position, with cash and bank balances exceeding its financial liabilities.

#### 29 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. This information as required under Micro, small and medium enterprises development Act 2006 [MSMED] has been determined to the extent such parties have been identified on the basis of information available with the Company are as below:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

#### 30 Employee benefit plans

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, (Labour Codes) which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

Based on the requirements of New Labour Codes and relevant Accounting Standards, the Company has estimated the liability for employee benefits, which has resulted in an incremental expense, on account of recognition of past service costs. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the institute of Chartered Accountants of India. The Company has presented the same under 'Employee benefits expense' in the statement of profit and loss for the year ended March 31, 2026 consisting of gratuity of ₹ 9 lakhs and compensated absences of ₹ 21 lakhs.

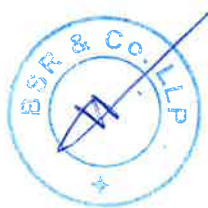
The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

##### i) Defined contribution plans

In accordance with the law, all employees of the company are entitled to receive benefits under the provident and pension fund. The Company has no obligation other than the contribution to the provident and pension fund.

##### a) Provident fund

Employees receive benefits from government administered provident fund. The employer and employees each make periodic contributions to the government administered provident fund. A portion of the contribution is made to the government administered provident fund while the remainder of the contribution is made to the pension fund.



Provident fund contributions amounting to ₹ 60 lakhs (₹ 63 lakhs for year ended March 31, 2025) and Employee state insurance contributions amounting to ₹ 1 lakhs (₹ 5 lakhs for year ended March 31, 2025) has been charged to the Statement of Profit and Loss (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense).

b) During the year the Company has recognised the following amounts in the Statement of Profit and Loss towards Employers contribution to:

Particulars	₹ in Lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
Superannuation (as part of contribution to provident fund and other funds in Note 19 Employee benefits expense)	40	-

ii) Defined benefit plans - Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and Company is exposed to the following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset liability matching (ALM) risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent.

As per valuation

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.14%	6.76%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on planned assets	7.14%	7.19%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Weighted Average Duration of the Defined Benefit Obligation	4.10 years	5.71 years

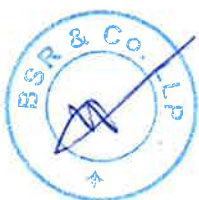
Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Service cost:</b>		
Current service cost	20	10
Past service cost*	9	-
Net interest cost	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>29</b>	<b>10</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	3	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2)	1
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	(8)	5
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(7)</b>	<b>6</b>

\* Impact in expense is on account of change in wage definition as per new labour codes

The current service cost and the net interest expense for the year are included in the ' Note 19 Employee benefit expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.



The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(56)	(34)
Fair value of plan assets	45	26
<b>Net (liability) / assets arising from defined benefit obligation (Current)</b>	<b>(11)</b>	<b>(8)</b>
<b>Movements in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	34	17
Current service cost	20	10
Past service cost*	9	-
Interest cost	3	1
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in financial assumptions	(2)	1
Actuarial gains and losses arising from experience adjustments	(8)	5
Actuarial (gains) / losses arising from demographic adjustments	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>56</b>	<b>34</b>
<b>Movements in the fair value of the plan assets are as follows:</b>		
Opening fair value of plan assets	26	14
Interest income	3	1
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions from the employer to Gratuity fund	19	11
Benefits paid	-	-
Return on plan assets, excluding interest income	(3)	-
<b>Closing fair value of plan assets</b>	<b>45</b>	<b>26</b>

\* Impact in expense is on account of change in wage definition as per new labour codes

The major categories of plan assets as a percentage of total plan:

	As at March 31, 2026	As at March 31, 2025
Insurer Managed Funds	100%	100%
Category of funds :		
Secure Fund	70.79%	50.00%
Defensive Fund	14.70%	25.00%
Balanced Fund	14.51%	25.00%
Stable Fund	0.00%	0.00%

Sensitivity analysis for significant actuarial assumptions is computed to show the impact in net defined benefit obligation by 1%.

	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4)	5	(3)	3
Future salary growth (1% movement)	5	(5)	4	(3)
Employee turnover rate (1% movement)	(1)	1	(1)	1

The Company expects to contribute ₹ 35 lakhs to its defined benefit plans during the next fiscal year.

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**Experience adjustments:**

	₹ in Lakhs		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	56	34	17
Fair value of plan assets	45	26	14
Surplus / (deficit)	(11)	(8)	(3)
Experience adjustments on plan liabilities - (gain)/losses	(8)	5	(1)
Experience adjustments on plan assets - (losses)/gain	-	-	(2)



Maturity profile of defined benefit obligation:

	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Within 1 year	2	-
1-2 years	4	1
2-3 years	5	3
3-4 years	6	4
4-5 years	7	4
5 years and Above	95	60

The Group (Sonata Software Limited and subsidiaries) has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the

iii ) Other employee benefits - Compensated absences

As per valuation

The compensated absence obligations includes the Company's liability for earned leave and sick leave.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.14%	6.76%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2.00%	20.00%

The amount included in the balance sheet arising from the Company's obligation in respect of its compensated absences is as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Current liability	37	21
Present value of compensated absences	37	21

Sensitivity for significant actuarial assumptions is computed to show the impact in defined benefit obligation by 1%:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1)	2	(1)	-
Future salary growth (1% movement)	2	(1)	-	(1)
Employee turnover rate (1% movement)	-	-	(1)	-

Maturity profile of compensated absences:

Particulars	₹ in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Within 1 year	12	22
1-2 years	7	-
2-3 years	5	-
3-4 years	4	-
4-5 years	2	-
5 years and above	24	-

31 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker (CODM) regularly monitors and reviews the operating result of the Company as one segment i.e. IT Services. All the customers are in United States i.e. only one geographical segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and one geographical segment, hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements.



32 Corporate Social Responsibility

As per Section 135 of Companies Act, 2013 a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Companies Act, 2013. The CSR initiatives are focused towards those programme directly or indirectly, benefit the community and society at large.

(i) Gross amount required to be spent and approved by the board of the Company during the year is ₹ 9 Lakhs (Previous year is ₹ 5 lakhs).

(ii) Amount spent during the year is ₹ 9 lakhs (Previous year is ₹ 5 Lakhs).

₹ in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Amount of expenditure incurred:						
(i) Construction of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	9	-	9	5	-	5
<b>Total</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>5</b>	<b>-</b>	<b>5</b>

(iii) Amount unspent is ₹ Nil (Previous year is ₹ Nil).

(iv) Excess amount spent:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	-	-
Add: Amount required to be spent during the year	9	5
Less: Amount spent during the year	(9)	(5)
<b>Total</b>	<b>-</b>	<b>-</b>

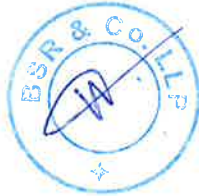
33 Earnings per share

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Profit after tax attributable to equity shareholders (a) (₹ in lakhs)	1,301	500
Weighted average number of equity shares outstanding during the year for basic EPS (b) (No.'s)	9,08,337	9,08,337
Weighted average number of equity shares outstanding during the year for diluted EPS (c) (No.'s)	9,08,337	9,08,337
Basic earning per share (a/b) (₹ in INR)	143.23	55.05
Diluted earning per share (a/c) (₹ in INR)	143.23	55.05

34 There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

35 There are no long term contract including derivative contract for which there were any material foreseeable losses.



**Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)**  
**Notes to the financial statements for the year ended March 31, 2026**

**36. Distributions made and proposed :**

There has been no dividend distributed or proposed to equity shareholders for the year ended March 31, 2026 and year ended March 31, 2025.

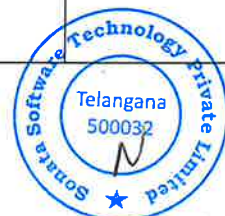
**37. Related party disclosure**

**i) Details of related parties :**

Description of relationship	Names of related parties
(a) Ultimate holding Company	Sonata Software Limited
(b) Intermediary holding company	Sonata Software North America Inc.
(c) Immediate holding Company	Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.)
(d) Fellow subsidiaries	Sonata Information Technology Limited
(e) Post-employment benefit plan (Refer note 30)	Sonata Software Gratuity Fund Sonata Software Officers Superannuation Fund
(f) Key management personnel (KMP)	Mr. Jagannathan Chakravarthi, Director Mr. Sujit Mohanty, Director Mr. Suresh HP, Director
(g) Relative of KMP	Mr. Srihari Veravelli (untill Jul 25, 2025)

**ii) Transactions with related parties :**

Particulars	₹ in Lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Rendering of services</b>		
Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.)	3,206	3,801
Sonata Software North America Inc.	2,642	-
<b>Software licenses fees</b>		
Sonata Information Technology Limited	4	8
<b>Rent received</b>		
Sonata Software Limited	1,305	-
Sonata Information Technology Limited	35	-
<b>Re-imbursment of expenses paid</b>		
Sonata Software Limited	31	31
<b>Re-imbursment of expenses received</b>		
Sonata Software Limited	428	60
Sonata Information Technology Limited	7	-
<b>Acquisition of property, plant and equipment</b>		
Sonata Software Limited	-	150
Sonata Information Technology Limited	-	30
Srihari Veravelli	840	-
<b>Security deposit received</b>		
Sonata Information Technology Limited	25	-
Sonata Software Limited	975	-



Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)  
Notes to the financial statements for the year ended March 31, 2026

<b>Security deposit paid</b> Srihari Veravelli	104	-
<b>Capital advances paid</b> Srihari Veravelli	-	944
<b>Advance rent paid</b> Srihari Veravelli	-	130
<b>Rent paid</b> Srihari Veravelli	91	26

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>Balances outstanding at the end of the year</b>		
<b>Trade receivables</b> Sonata Software North America Inc.	1,624	-
<b>Trade payables</b> Sonata Information Technology Limited	1	-
<b>Re-imbursment of expenses receivable</b> Sonata Information Technology Limited	3	-
<b>Re-imbursment of expenses payable</b> Sonata Software Limited	254	31
<b>Payable on property, plant &amp; equipment</b> Sonata Software Limited Sonata Information Technology Limited	- -	149 1
<b>Security deposits payable</b> Sonata Information Technology Limited Sonata Software Limited	25 975	- -
<b>Other assets</b> Srihari Veravelli	-	104
<b>Capital advances</b> Srihari Veravelli	-	840
<b>Other recoverables</b> Srihari Veravelli	-	130
<b>Advance from customers</b> Sonata Software Solutions North America, Inc. (formerly know as Quant System Inc.)	544	884

**Terms and conditions with related party:**

1. The sales, purchases, commission income and rental income from related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.



38. Leases

(a) Company as a Lessee

The Company leases mainly comprise of buildings for operational purposes.

Following are the changes in the carrying value of right of use assets:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
	Buildings	Buildings
Balance at the beginning of the year	-	115
Additions	2,042	-
Deletion	-	-
Depreciation for the year	(241)	(115)
<b>Balance at the end of the year</b>	<b>1,801</b>	<b>-</b>

Incremental borrowing rate used for discounting of lease liabilities is 9.95% based on the lease term.

The lease term is 9 years

The following is the movement in lease liabilities:

₹ in Lakhs

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	-	141
<b>Non-cash changes</b>		
Additions	7,440	-
Finance cost accrued during the year	719	5
Deletions	-	-
<b>Cash changes</b>		
Payment of lease liabilities	(1,186)	(146)
<b>Balance at the end of the year</b>	<b>6,973</b>	<b>-</b>

The following is the break-up of lease liabilities based on their maturities:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Current lease liabilities	5,880	-
Non-current lease liabilities	1,093	-
<b>Total</b>	<b>6,973</b>	<b>-</b>

Contractual maturities of lease liabilities

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2026 on an undiscounted basis:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Not later than one year	1,153	-
Later than one year and not later than 5 years	5,181	-
Later than 5 years	3,851	-
<b>Total</b>	<b>10,185</b>	<b>-</b>

(b) Company as a lessor

The Company has sub-leased it's assets to Related parties.

The following is the movement in the finance lease receivables:

₹ in Lakhs

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	-	-
Additions	8,455	-
Deletions	-	-
Interest income accrued during the year	823	-
Lease receipts (Refer note 37)	(1,340)	-
<b>Balance at the end of the year</b>	<b>7,938</b>	<b>-</b>

The following is the breakup of finance lease receivables into current and non-current:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Finance lease receivable (non-current)	6,632	-
Finance lease receivable (current)	1,306	-
<b>Balance at the end of the year</b>	<b>7,938</b>	<b>-</b>

The table below provides details regarding the contractual maturities of finance lease receivables on an undiscounted basis:

₹ in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Not later than one year	1,153	-
Later than one year and not later than 5 years	5,181	-
Later than 5 years	3,851	-
<b>Total undiscounted finance lease receivables</b>	<b>10,185</b>	<b>-</b>
Less: Unearned finance income	(2,247)	-
<b>Finance lease receivables</b>	<b>7,938</b>	<b>-</b>



The Company recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>As a lessee</b>		
Finance cost on lease liabilities during the year (Refer note 20)	719	5
Depreciation on ROU assets (Refer note 21)	241	115
Rent expense pertaining to short-term lease (Refer note 22)	3	165
<b>Total</b>	<b>963</b>	<b>285</b>
<b>As a lessor</b>		
Interest income on finance lease asset (Refer note 18)	823	-
<b>Total</b>	<b>823</b>	<b>-</b>

39. The table below provides financial ratios:

Ratio/Measure	Methodology	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance %	Reason for variance exceeding 25% as compared to
Current ratio	Current assets over current liabilities	1.85	1.28	44%	Current ratio increased on account of increase in trade receivables in the current year.
Debt-equity ratio	Debt over total shareholders equity	144%	-	-	Debt-equity ratio has increased due to lease liability considered from the current year.
Debt service coverage ratio	EBITDA over current debt	39%	-	-	Debt-service coverage ratio has increased due to lease liability considered from the current year.
Return on equity ratio	PAT over total average equity	31%	14%	115%	Ratio improved due to sub-leasing of assets to group entity.
Trade receivable turnover ratio	Revenue from operations over trade receivables	7	691	-99%	Improved ratio on account of collection made from debtors.
Trade payable turnover ratio	Adjusted expenses over trade payables	5	86	-94%	Lower ratio due to reduction in payments to trade payables.
Net capital turnover ratio	Revenue from operations over average working capital	338%	229%	47%	Improved ratio is due to higher billing done in the current period.
Net profit ratio	Net profit over revenue	22%	13%	69%	Margin improved due to sub-leasing of assets to group entity.
Return on capital employed	EBIT over capital employed	22%	18%	16%	-
Return on investment	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average	-	-	-	-

Notes:

EBITDA - Earnings before interest, taxes, depreciation and amortisation

PAT - Profit after taxes

EBIT - Earnings before interest and taxes.

Debt includes current and non-current lease liabilities.

Adjusted expenses derived from total expenses excluding depreciation and finance cost.

working capital derived from current assets in excess of current liabilities excluding borrowings & lease liabilities.

40: Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013:

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(iv) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) No funds have been received by the Company from any person or entity, including foreign entity (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.

(vi) The Company does not have any transaction which is 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the companies act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the companies act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company has not entered into any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended 31 March 2026.

(x) The Company has not revalued any of its property, plant and equipment (including right-of-use Assets) during the year.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Vivek Gopalakrishnan

Partner

Membership No. 522796

Place : Bengaluru

Date : 04 May 2026

For and on behalf of the Board of Directors of

Sonata Software Technology Private Limited

CIN: U74900TG2015PTC099698

Jagannathan CN

Director

DIN: 08255902

Place : Bengaluru

Date : 04 May 2026

Suresh HP

Director

DIN: 10124549

Place : Bengaluru

Date : 04 May 2026



SONATA SOFTWARE NORTH AMERICA INC.  
Consolidated Balance Sheet

(Amounts in USD)

	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3.1	1,838,646	1,187,830
Capital work-in-progress		-	2,482
Right-of-use assets	34	2,791,393	643,141
Goodwill	3.2	127,899,455	127,899,455
Intangible assets	3.3	36,114,695	40,801,198
Intangible asset under development	3.3	7,428,165	3,043,410
Financial assets			
Investments	4.1	331,695	406,622
Other financial assets	4.2	8,680,349	443,380
Deferred tax assets (net)	16B	3,952,259	1,712,009
Other tax assets (net)	16A	1,801,058	329,818
Other non-current assets	4.3	5,651,176	3,018,085
<b>Total non-current assets</b>		<b>196,488,891</b>	<b>179,487,430</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Investments	4.1	1,809,689	10,678,959
Trade receivables	5	37,546,663	52,009,615
Cash and cash equivalents	6.1	6,585,387	9,038,528
Bank balances other than above	6.2	20,000	20,000
Other financial assets	6.3	1,847,211	938,115
Other current assets	6.4	7,911,166	9,766,541
<b>Total current assets</b>		<b>55,720,116</b>	<b>82,451,758</b>
<b>Total assets</b>		<b>252,209,007</b>	<b>261,939,188</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	7	300,000	300,000
Other equity	8	59,952,097	55,331,465
<b>Total Equity</b>		<b>60,252,097</b>	<b>55,631,465</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	9	39,958,335	26,666,667
Lease liabilities	34	6,899,928	324,393
Other financial liabilities	10	4,857,090	695,728
Other non-current liabilities	10.1	314,682	-
Deferred tax liabilities (net)	16B	1,700,651	1,804,272
<b>Total non-current liabilities</b>		<b>53,730,686</b>	<b>29,491,060</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	9	29,970,910	25,000,000
Lease liabilities	34	1,494,829	413,577
Trade payables	11	95,808,716	89,912,993
Other financial liabilities	12	5,192,258	51,668,612
Other current liabilities	13	1,631,368	5,179,017
Provisions	14	914,564	1,400,722
Current tax liabilities (net)	15	3,213,579	3,241,742
<b>Total current liabilities</b>		<b>138,226,224</b>	<b>176,816,663</b>
<b>Total equity and liabilities</b>		<b>252,209,007</b>	<b>261,939,188</b>

Summary of material accounting policies refer note

2

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Software North America Inc.

Amrit Bhansali  
Partner  
Membership No. 065155

Sharmila Sherikar  
Director & President

Manu Swami  
Director

Place : Bengaluru  
Date : May 06, 2026

Place : New Jersey  
Date : May 06, 2026

Place : Georgia  
Date : May 06, 2026

SONATA SOFTWARE NORTH AMERICA INC.  
Consolidated Statement of Profit and Loss

(Amounts in USD)

	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>			
Revenue from operations	17	213,401,336	251,433,423
Other income	17.1	1,555,505	1,185,220
<b>Total revenue</b>		<b>214,956,841</b>	<b>252,618,643</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade (traded goods)	18	13,154,849	4,065,645
Employee benefits expense	19	52,913,345	63,714,380
Finance costs	20	5,852,770	6,442,564
Depreciation and amortization expense	21	5,895,828	8,984,142
Other expenses	22	128,514,137	148,713,879
<b>Total expenses</b>		<b>206,330,929</b>	<b>231,920,610</b>
<b>Profit before exceptional item and tax</b>		<b>8,625,912</b>	<b>20,698,033</b>
<b>Exceptional item</b>			
Impairment loss recognised on receivables	28	10,225,554	-
Changes in fair value of contingent consideration payable	27	(6,895,880)	-
<b>Profit before tax</b>		<b>5,296,238</b>	<b>20,698,033</b>
<b>Tax expense</b>			
Current tax	16A	2,973,812	7,255,639
Deferred tax	16B	(2,350,562)	(855,795)
<b>Net tax expense</b>		<b>623,250</b>	<b>6,399,844</b>
<b>Profit for the year</b>		<b>4,672,988</b>	<b>14,298,189</b>
<b>Other comprehensive income</b>			
1 Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		7,576	(7,071)
(b) Equity instruments through other comprehensive income		(76,368)	(1,105,021)
(c) Income tax relating to items that will not be reclassified to profit/(loss)		(1,892)	1,780
		<b>(70,684)</b>	<b>(1,110,313)</b>
2 Items that will be reclassified to profit/(loss)			
(a) Exchange differences on translating the financial statements of foreign operations		23,200	45,229
(b) Income tax relating to Items that will be reclassified to profit/(loss)		(4,872)	(9,498)
		<b>18,328</b>	<b>35,731</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>(52,357)</b>	<b>(1,074,581)</b>
<b>Total comprehensive income for the year</b>		<b>4,620,631</b>	<b>13,223,608</b>
Earnings per share - (on USD 1 per share)	32		
Basic (in USD)		15.58	47.66
Diluted (in USD)		15.58	47.66
<b>Summary of material accounting policies refer note</b>	2		
<b>The accompanying notes form an integral part of the consolidated financial statements</b>			

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Software North America Inc.

Amrit Bhansali  
Partner  
Membership No. 065155

Sharmila Sherikar  
Director & President

Manu Swami  
Director

Place : Bengaluru  
Date : May 06, 2026

Place : New Jersey  
Date : May 06, 2026

Place : Georgia  
Date : May 06, 2026

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Consolidated Statement of changes in equity**

**(a) Equity share capital**

(Amounts in USD)

Particulars (Refer note 7)	As at	As at
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	300,000	300,000
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>300,000</b>	<b>300,000</b>

**(b) Other equity**

(Amounts in USD)

Particulars	Reserves and Surplus		Other comprehensive income		Total other equity
	Retained earnings	Remeasurement of the defined benefit plans	Equity instruments through other comprehensive income	Foreign currency translation reserve	
<b>Balance as at April 1, 2024</b>	<b>42,121,049</b>	<b>5,287</b>	<b>-</b>	<b>(18,478)</b>	<b>42,107,858</b>
Profit for the year	14,298,189	-	-	-	14,298,189
Other comprehensive income (net of tax)	-	(5,292)	(1,105,021)	35,731	(1,074,582)
<b>Total comprehensive income for the year</b>	<b>14,298,189</b>	<b>(5,292)</b>	<b>(1,105,021)</b>	<b>35,731</b>	<b>13,223,607</b>
<b>Balance as at March 31, 2025</b>	<b>56,419,238</b>	<b>(5)</b>	<b>(1,105,021)</b>	<b>17,253</b>	<b>55,331,465</b>
<b>Balance as at April 1, 2025</b>	<b>56,419,238</b>	<b>(5)</b>	<b>(1,105,021)</b>	<b>17,253</b>	<b>55,331,465</b>
Profit for the year	4,672,988	-	-	-	4,672,988
Other comprehensive income (net of tax)	-	5,684	(76,368)	18,328	(52,356)
<b>Total comprehensive income for the year</b>	<b>4,672,988</b>	<b>5,684</b>	<b>(76,368)</b>	<b>18,328</b>	<b>4,620,632</b>
<b>Balance as at March 31, 2026</b>	<b>61,092,226</b>	<b>5,679</b>	<b>(1,181,389)</b>	<b>35,581</b>	<b>59,952,097</b>

Refer note 8 for the nature and purpose of reserves

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

**For B S R & Co. LLP**  
*Chartered Accountants*  
 Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of**  
**Sonata Software North America Inc.**

**Amrit Bhansali**  
*Partner*  
 Membership No. 065155

**Sharmila Sherikar**  
*Director & President*

**Manu Swami**  
*Director*

Place : Bengaluru  
 Date : May 06, 2026

Place : New Jersey  
 Date : May 06, 2026

Place : Georgia  
 Date : May 06, 2026

SONATA SOFTWARE NORTH AMERICA INC.  
Consolidated Statement of Cash flows

(Amounts in USD)

		Year ended March 31, 2026	Year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>5,296,238</b>	<b>20,698,033</b>
Adjustments for :			
Depreciation and amortization expense		5,895,828	8,984,142
Net (gain) on investments carried at fair value through profit and loss		(271,376)	(381,536)
Gain on sale of investments		(32,079)	-
Finance costs		4,275,223	4,342,887
Impairment (gain)/loss recognised on trade receivable		12,761,642	848,060
Provisions/ liabilities no longer required written back		-	(137,441)
Interest income		(1,043,762)	(637,540)
Loss on scrap of assets		-	(3,387)
Loss / (Gain) on derecognition of leases		(152,147)	-
Unwinding of contingent consideration		-	2,000,611
Interest on financial assets carried at amortised cost		921,336	62,881
Changes in fair value of contingent consideration		(6,895,880)	-
Unrealized foreign exchange (gain) / loss		(11,269)	(1,644)
<b>Operating Profit before working capital changes</b>		<b>20,743,753</b>	<b>35,775,066</b>
Adjustments for :			
Decrease/(increase) in trade receivables		2,702,469	(1,422,073)
Decrease/(increase) in other current assets		819,131	2,245,341
Decrease/(increase) in other financial assets		(909,096)	1,668,738
Decrease/(increase) in other non-current financial assets		135,693	(437,914)
Decrease/(increase) in other non-current assets		(651,176)	-
(Decrease)/increase in trade payables		5,958,138	23,370,404
(Decrease)/increase in other current liabilities		(3,547,649)	3,034,787
(Decrease)/increase in other financial liabilities		(1,546,241)	550,465
(Decrease)/increase in non-current liabilities		429,299	342,098
(Decrease)/increase in short-term provisions		(478,582)	63,147
<b>Net cash flow from / (used in) operations</b>		<b>23,655,739</b>	<b>65,190,058</b>
Income taxes paid (net of refunds)		(4,562,052)	(9,518,543)
<b>Net cash flow from / (used in) operating activities</b>	<b>A</b>	<b>19,093,687</b>	<b>55,671,515</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment including intangible assets, capital-work-in progress and Intangible asset under development		(10,563,927)	(6,788,340)
Net investment in sub-lease		1,516,497	-
Interest received		97,379	631,823
Security deposits received		1,046,745	-
Payments in relation to business acquisition		(35,000,000)	(70,530,759)
Purchase of current investments		(123,419,934)	(137,000,000)
Proceeds from sale of current investments		132,592,372	137,634,649
<b>Net cash flow from / (used in) investing activities</b>	<b>B</b>	<b>(33,730,868)</b>	<b>(76,052,627)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings from bank		35,000,000	-
Loan from related party		10,000,000	-
Repayment of long-term borrowings from bank		(26,750,000)	(23,333,333)
Repayment of lease liability		(1,753,021)	(656,664)
Interest paid		(4,296,878)	(4,366,914)
<b>Net cash flow from/ (used in) financing activities</b>	<b>C</b>	<b>12,200,101</b>	<b>(28,356,911)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C)</b>	<b>(2,437,080)</b>	<b>(48,738,022)</b>
Opening cash and cash equivalents		9,038,528	57,766,819
Exchange difference on translation of foreign currency cash and cash equivalents		(16,060)	9,731
<b>Closing cash and cash equivalents</b>		<b>6,585,387</b>	<b>9,038,528</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Consolidated Statement of Cash flows

(Amounts in USD)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In current accounts	6,585,170	9,025,563
In deposit accounts	217	12,965
<b>Total</b>	<b>6,585,387</b>	<b>9,038,528</b>

Refer note 34 for non-cash changes in lease liabilities arising from financing activities. There are no non-cash changes in borrowings and working capital demand loan.

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Software North America Inc.

Amrit Bhansali  
Partner  
Membership No. 065155

Sharmila Sherikar      Manu Swami  
Director & President      Director

Place : Bengaluru  
Date : May 06, 2026

Place : New Jersey      Place : Georgia  
Date : May 06, 2026      Date : May 06, 2026

## SONATA SOFTWARE NORTH AMERICA INC.

### Notes to the consolidated financial statements for the year ended March 31, 2026

#### 1 COMPANY OVERVIEW

The Consolidated financial statements of Sonata Software North America Inc., Limited ("SSNA" or the "Company") includes Sonata Software North America Inc., with the subsidiaries Sonata Software Solutions North America Inc (formerly known as Quant Systems Inc.), Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited), Sonata Software Canada Limited, Sonata Latin America S. de R.L. de C.V., Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC), Woodshed LLC, Sonata Software LLC (merged with SSNA with effect from May 06, 2024), Encore Software Services, Inc. (merged with SSNA with effect from August 26, 2024). The ultimate holding company is Sonata Software Limited.

SSNA together with the subsidiaries are referred as the 'Group'.

The group primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the United States (US). The company was incorporated in the US on 20th April 1992 with its registered office at Newark, USA.

#### 2 MATERIAL ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

###### a. Statement of compliance

These financial statements of the Group comprises the balance sheets as at 31 March 2026, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow and a summary of material accounting policies and other explanatory information for the year ended 31 March 2026, and other additional financial disclosures.

The Financial statements for the current and previous financial years were prepared under Indian accounting standards for the purposes of onward use by the Management of Ultimate Holding Company to prepare its consolidated financial statements. Accordingly, a separate transition into Ind AS reporting framework is not required. Further, these are not the statutory financial statements of the Company. The corresponding figures for the financial year 2024-25 included in these financial statements have not been audited.

The Group has earned profit of USD 4,672,988 (Previous year is USD 14,298,189) during financial year ended March 31, 2026 and as of that date, the Group's current liabilities exceeded its current assets by USD 82,506,108 (Previous year is USD 94,364,905). The Group has earned operating cash flows of USD 19,093,687 in the current year (Previous year is USD 55,671,515). The Group's management after considering above indicators, future business plans and future cash flow projections based on which it has carried out an assessment of its going concern status and believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment. To arrive at such judgement, the management have also considered the continued financial support from its Holding Company (Sonata Software Limited). The Holding Company has indicated its intention through an unconditional support letter to provide operational and financial support to the Company as necessary to enable it to continue its operations and meet its liabilities as and when they fall due in the normal course of its business for the foreseeable future. In addition to this, the Management expects to fund its operating and capital expenditure (if any) based on its own business operations and existing financing arrangements for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

###### b. Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. Fair value for measurement and/or disclosure purpose in these Consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets. Also, net defined benefit assets/liabilities is valued at fair value of plan assets less present value of defined benefit obligation.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. The operating cycle is the time between the deployment of resources and the realisation in cash or cash equivalents of the consideration for such services rendered. The Group's normal operating cycle is twelve months

###### Current/ Non-current classification

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

**c. Functional and presentation currency**

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the “functional currency”). The consolidated financial statements are presented in US Dollars (USD), the national currency of United States of America, which is the functional currency of the Company. The functional currency of the subsidiaries are as per their respective domestic currencies.

All amounts rounded off to the nearest USD except per share data and unless otherwise indicated. Transactions and balances with value below rounding off norm adopted by the Group have been reflected as '-' in relevant notes to the consolidated financial statements (as applicable).

**d. Use of judgement, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of consolidated financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

**i) Liability towards acquisition of businesses**

The contingent consideration representing liability towards acquisition of business is reassessed at every reporting date. Any increase or decrease in the probability of achievement of financial targets would impact the measurement of the liability. Appropriate changes in estimates are made when the Management becomes aware of the circumstances surrounding such estimates, [Refer note 2.3 (q) for the accounting policy w.r.t re-measurement of contingent consideration payable at each reporting date]

**ii) Impairment testing**

Goodwill is tested for impairment annually and investments are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. (Refer note 3.2)

**iii) Depreciation and amortisation**

Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**iv) Revenue recognition**

Refer note 2.3(k)(b)

**v) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The policy for the same has been explained under Note-2.3(o)(a).

**vi) Contingent liabilities**

Refer note-2.3(r).

**vii) Income taxes and deferred taxes**

The primary tax jurisdiction for the Group is United States. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.3 (h)

**viii) Leases**

The Group uses significant judgement in assessing the lease term whether it is reasonably certain to exercise extension options. The Group assesses whether it is reasonable certain to exercise the options if there is a significant event or significant changes in circumstances within the control. The policy for the same has been explained under note 2.3(i).

**ix) Other estimates**

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**SONATA SOFTWARE NORTH AMERICA INC.****Notes to the consolidated financial statements for the year ended March 31, 2026****2.2 BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company, its controlled subsidiary companies. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Companies in the Group are consolidated on a line-by-line basis and intra group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

The list of subsidiary companies included in the consolidated financial statements is as under:

Name of the Entity	Country of Incorporation	% of ownership held as on March 31, 2026	% of ownership held as on March 31, 2025
Sonata Software Solutions North America Inc. (formerly known as Quant Systems Inc.)	USA	100%	100%
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	India	100%	100%
Sonata Software Canada Limited	Canada	100%	100%
Sonata Latin America S. DE R.L. DE C.V.	Mexico	100%	100%
Quant Systems CRC Inc Sociedad de Responsabilidad Limitada	Costa Rica	100%	100%
Woodshed LLC	USA	100%	100%

Notes:

i) In terms of the Memorandum and Articles of Association, the composition of the Board of Directors of Sonata Software (Qatar) LLC is controlled by the Company and hence it has been considered as subsidiary for the purpose of consolidation.

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES****a. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit and loss.

**b. Capital work-in-progress**

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress respectively.

**c. Depreciation/ Amortisation**

Depreciation is calculated on the cost of property, plant and equipment less their estimated residual values and is generally recognised in the consolidated statement of profit and loss.

Depreciation has been provided on buildings and plant and equipment on the straight line method and on furniture and fixtures, vehicles and office equipments on the written down method, as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/(disposals) is provided from/ (upto) the date on which asset is ready for use/ (disposed off).

**Straight-line method**

Asset class	Useful life
Plant and equipment (Hardware)	5 years
Lease hold improvements	lease term

**Written down method**

Asset class	Depreciation rate
Furniture and fixtures	25.88%
Office equipment	45.07%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Group assesses at each Balance Sheet date whether there is objective evidence that a asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**d. Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future economic benefit from the asset.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

The estimated useful lives of intangible assets for the current and comparative period are as follows:

Category	Useful Life
Computer software	3 years
Intellectual property	7 - 9 years
Non compete	3 years
Vendor relationship	7 years
Customer relationship	5 - 11 years
Customer contracts	1 - 3 years

**e. Financial Instruments**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Non-derivative financial assets****i. Financial assets at amortised cost**

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

**Cash and cash equivalents:**

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit or loss. Any gain or loss on derecognition is recognised in the consolidated statement of profit or loss.

**ii. Financial assets at fair value through other comprehensive income (FVTOCI)**

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in other comprehensive income (OCI).

Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

**iii. Financial assets at fair value through profit and loss (FVTPL)**

Financial assets which are not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc. Financial assets included within the FVTPL category are measured at fair values at each reporting date with all changes recorded in the consolidated statement of profit and loss.

Financial assets are not reclassified subsequently unless if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. The Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Non-derivative financial liabilities**

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

The Group participates in a vendor financing arrangement ("arrangement") under which its vendors may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating vendor in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing vendors to sell their receivables due from the Group to a bank before their due date. The Group has derecognised the original liabilities to which the arrangement applies because there is a legal release obtained under the arrangement and the original liability was substantially modified on entering into the arrangement (i.e. extended payment terms beyond the normal terms agreed with other suppliers that are not participating). The Group therefore discloses the amounts factored by vendors as borrowings because the nature and function of the financial liability is substantially different as compared to other trade payables.

**Financial liabilities at fair value through profit and loss (FVTPL)**

Financial liabilities at FVTPL represented by contingent consideration recognised in business combination are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated statement of profit or loss.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**Derecognition of financial instruments**

Financial assets

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of profit or loss.

**Fair value measurement**

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

**f. Employee benefits**

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only legal or constructive obligation is to pay a fixed amount towards government administered scheme with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Provident fund:** The employees also make periodic contributions to the government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the consolidated statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Gratuity:** The Group provides for Gratuity, a defined benefit plan covering the eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and tenure of the employment with the Group.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation performed by an independent actuary, at each Balance Sheet date using projected unit method. The Group fully contributes all ascertained liabilities to a trust managed by the Trustees of Sonata Software Limited Gratuity Fund. The Trustees administers the contributions made to the Trust. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to the consolidated statement of profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss.

**Superannuation Fund:** Certain employees of the Group are participants in a defined contribution plan of superannuation. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to the Sonata Software Limited Superannuation Fund the corpus of which is invested with the Life Insurance Company.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations of compensated absences are presented as current liabilities in the balance sheet of the Group as the Group does not have an unconditional right to defer this settlement for at least 12 months from reporting date.

**g. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

**h. Income taxes**

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

**a) Income tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Group off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) 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 income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

Deferred tax liability (DTL) is not recognised on the accumulated undistributed profits of the subsidiaries in the consolidated financial statements of the Group, if it is determined that such accumulated undistributed profits will not be distributed in the foreseeable future.

**i. Leases**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right a) contract involves the use of identified asset; b) Company has right to direct the use of the asset; c) the Company has substantially all the economic benefits from the use of asset through period of lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 10,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

**j. Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**k. Revenue recognition**

The Group derives revenue primarily from information technology services and solutions. The Group recognizes revenue when it transfers control over a product or a service to a customer.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

To recognise revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates, credits, price concessions, discounts and pricing incentives and any other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

There is a significant financing component for certain contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The method for recognizing revenues and costs depends on the nature of the services rendered.

**a) Time and materials and unit of work based contracts**

Revenue from time and material contracts and volume/unit based contracts is measured on output basis by units delivered, efforts expended, number of transactions processed etc., as applicable and is recognised as the related services are performed. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

**b) Fixed-price contracts**

The Group applies the percentage of completion method in accounting for fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

For fixed price development contracts and related services, the performance obligation are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The performance obligation on fixed price development contracts is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates. Estimates for the transaction price and total costs are continuously monitored over a term of contract and are recorded in net profit or losses in the period when the estimate changes or when the estimates are revised.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**Contract assets and contract liabilities**

Contract assets represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only where act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities (unearned revenues) represents billing in excess of revenue recognized.

Revenues are reported net of GST and applicable discounts and allowances.

**c) Hardware/software products and licenses**

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. Group recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Group recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Unsold licenses are classified as inventory.

**d) Maintenance contracts**

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

**l. Government grants:**

Grants from the Government are recognised by the Group when there is reasonable assurance that the conditions attached to the grant will be complied and it will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. The grant pertaining to an asset is recognized as income over the expected useful life of the asset.

**m. Foreign currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**n. Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the consolidated statement of profit and loss, using the effective interest rate method.

Dividend income is recognized in the consolidated statement of profit and loss on the date that the Group's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the consolidated statement of profit and loss using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or - the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**o. Impairment**

**a) Financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognised as expense (or income) in the consolidated statement of profit and loss.

For financial guarantee contracts held by the Group that is not an integral element of another financial instrument, the Group accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Group recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Group has presented the compensation right asset in the consolidated statement of profit and loss in the same line item as allowance for expected credit loss.

**Credit impaired financial assets:**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;

Write off - The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**b) Non-financial assets**

The Group assesses at each reporting date (or more frequently if events or circumstances indicate that it is necessary), whether there is any objective evidence that a non financial asset including goodwill or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in consolidated statement of profit or loss and reflected in an allowance account. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate (that reflects current market assessments of the time value of money and the risks specific to the asset). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the consolidated statement of profit and loss.

**p. Business combination, goodwill and intangible assets**

Business combinations other than through common control transactions are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in Consolidated statement of profit and loss.

**i) Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets. Goodwill is tested for impairment annually for current events or circumstances indicate that unused fair value of goodwill is than its carrying amount (based on facts such as business plan, future cash flow and economic condition).

**ii) Intangible assets**

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. At each reporting period intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

**q. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**r. Contingent liabilities**

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

**s. Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize any contingent asset.

**t. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**2.4 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

The MCA had issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025 vide notification dated May 07, 2025 and August 13, 2025 respectively amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2026:

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The group is monitoring the impact of this amendment in relation to compliance with financial covenants under its borrowing agreements. Refer note 9 for further details.

## 3.1 : Property, plant and equipment

(Amounts in USD)

## Tangible assets

Particulars	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and machinery	Total
<b>Cost</b>					
<b>As at April 1, 2024</b>	<b>90,332</b>	<b>94,207</b>	<b>231,933</b>	<b>1,306,107</b>	<b>1,722,579</b>
Additions	886	251,616	13,363	545,521	811,386
Disposal / write-off	-	-	-	-	-
Translation differences	(402)	(8,309)	(3,156)	(43,384)	(55,251)
<b>As at March 31, 2025</b>	<b>90,816</b>	<b>337,514</b>	<b>242,140</b>	<b>1,808,244</b>	<b>2,478,714</b>
<b>As at April 1, 2025</b>	<b>90,816</b>	<b>337,514</b>	<b>242,140</b>	<b>1,808,244</b>	<b>2,478,714</b>
Additions	153,462	874,651	253,938	232,020	1,514,071
Disposal / write-off	(4,154)	(284,803)	(53,990)	(504,115)	(847,062)
Translation differences	(5,421)	(69,984)	(13,388)	(9,292)	(98,085)
<b>As at March 31, 2026</b>	<b>234,703</b>	<b>857,378</b>	<b>428,700</b>	<b>1,526,857</b>	<b>3,047,638</b>
<b>Accumulated depreciation</b>					
<b>As at April 1, 2024</b>	<b>76,271</b>	<b>69,861</b>	<b>169,923</b>	<b>741,597</b>	<b>1,057,652</b>
Depreciation for the year	5,677	36,324	15,652	189,571	247,224
Translation differences	(137)	(327)	(6,756)	(6,772)	(13,992)
<b>As at March 31, 2025</b>	<b>81,811</b>	<b>105,858</b>	<b>178,819</b>	<b>924,396</b>	<b>1,290,884</b>
<b>As at April 1, 2025</b>	<b>81,811</b>	<b>105,858</b>	<b>178,819</b>	<b>924,396</b>	<b>1,290,884</b>
Depreciation for the year	22,628	141,201	48,598	318,411	530,838
Disposal / write-off	(2,603)	(85,172)	(21,739)	(504,472)	(613,986)
Translation differences	822	2,318	338	(2,222)	1,256
<b>As at March 31, 2026</b>	<b>102,658</b>	<b>164,205</b>	<b>206,016</b>	<b>736,113</b>	<b>1,208,992</b>
<b>Net carrying value</b>					
<b>As at March 31, 2026</b>	<b>132,045</b>	<b>693,173</b>	<b>222,684</b>	<b>790,744</b>	<b>1,838,646</b>
<b>As at March 31, 2025</b>	<b>9,005</b>	<b>231,655</b>	<b>63,321</b>	<b>883,848</b>	<b>1,187,830</b>

Refer note 9 for details of charge created on the property, plant and equipment.

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2026 and for the year ended March 31, 2025.

-No revaluation of tangible assets were carried out for the year ended March 31, 2026 and for the year ended March 31, 2025.

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Notes to the consolidated financial statements for the year ended March 31, 2026

3.2 Goodwill	(Amounts in USD)
<b>As at April 1, 2024</b>	<b>130,919,984</b>
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	-
<b>As at March 31, 2025</b>	<b>130,919,984</b>
<b>As at April 1, 2025</b>	<b>130,919,984</b>
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	-
<b>As at March 31, 2026</b>	<b>130,919,984</b>
<b>Accumulated Impairment</b>	
<b>As at April 1, 2024</b>	<b>3,020,529</b>
Effect of foreign currency exchange differences	-
<b>As at March 31, 2025</b>	<b>3,020,529</b>
<b>As at April 1, 2025</b>	<b>3,020,529</b>
Effect of foreign currency exchange differences	-
<b>As at March 31, 2026</b>	<b>3,020,529</b>
<b>Net carrying value</b>	
<b>As at March 31, 2026</b>	<b>127,899,455</b>
<b>As at March 31, 2025</b>	<b>127,899,455</b>

The Group has been implementing the integration of various acquisitions to generate synergies and progressive changes to the business model, basis which the Chief Operating Decision Maker (CODM) has been reviewing key performance measures at the operating segment level.

Goodwill has been allocated to the redefined CGUs based on how the CODM and the Board would monitor the business. For comparative purposes, the goodwill balance as at April 01, 2025 has been reallocated to these CGUs.

**Impairment**

The recoverable amount of each CGU has been calculated based on its value-in-use, estimated as the net present value of future free cash flow forecasts for five years and then on perpetuity using assumptions which include annual revenue growth rate, earnings before interest and taxes, capital outflow and working capital requirement.

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows.

The future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate *	15%	18% - 26.5%
Terminal growth rate #	2%	2%
EBITDA margins (Average of next 5 years) ^	16%	9% - 37%

\* The discount rate is arrived after consulting the valuation experts.

# The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

^ The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and financial budgets approved by management.

As at March 31, 2026 and March 31, 2025 the estimated recoverable amount of each CGU exceeded carrying amount and accordingly, no impairment loss is recognised. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

## 3.3 : Intangible assets

## Intangible assets

(Amounts in USD)

Particulars	Intellectual property	Non-competes	Vendor relationship	Customer relationship	Customer contracts	Computer software	Total	Intangibles asset under development
<b>Cost</b>								
As at April 1, 2024	465,400	45,800	1,718,200	52,694,000	9,737,200	10,743	64,671,343	-
Additions	-	-	-	-	-	-	-	3,043,410
Disposal /Write off	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	(259)	(259)	-
<b>As at March 31, 2025</b>	<b>465,400</b>	<b>45,800</b>	<b>1,718,200</b>	<b>52,694,000</b>	<b>9,737,200</b>	<b>10,484</b>	<b>64,671,084</b>	<b>3,043,410</b>
As at April 1, 2025	465,400	45,800	1,718,200	52,694,000	9,737,200	10,484	64,671,084	3,043,410
Additions	-	-	-	-	-	-	-	4,384,755
Disposal /Write off	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	(1,034)	(1,034)	-
<b>As at March 31, 2026</b>	<b>465,400</b>	<b>45,800</b>	<b>1,718,200</b>	<b>52,694,000</b>	<b>9,737,200</b>	<b>9,450</b>	<b>64,670,050</b>	<b>7,428,165</b>
<b>Accumulated amortization</b>								
As at April 1, 2024	434,080	45,800	1,718,200	7,039,050	6,505,271	2,208	15,744,609	-
Amortization for the year	17,642	-	-	4,872,599	3,231,929	3,084	8,125,254	-
Disposal /Write off	-	-	-	-	-	23	23	-
<b>As at March 31, 2025</b>	<b>451,722</b>	<b>45,800</b>	<b>1,718,200</b>	<b>11,911,649</b>	<b>9,737,200</b>	<b>5,315</b>	<b>23,869,886</b>	<b>-</b>
As at April 1, 2025	451,722	45,800	1,718,200	11,911,649	9,737,200	5,315	23,869,886	-
Amortization for the year	13,678	-	-	4,669,479	-	3,034	4,686,191	-
Disposal /Write off	-	-	-	-	-	-	-	-
Translation difference	-	-	-	-	-	(722)	(722)	-
<b>As at March 31, 2026</b>	<b>465,400</b>	<b>45,800</b>	<b>1,718,200</b>	<b>16,581,128</b>	<b>9,737,200</b>	<b>7,627</b>	<b>28,555,355</b>	<b>-</b>
<b>Net carrying value</b>								
As at March 31, 2026	-	-	-	36,112,872	-	1,823	36,114,695	7,428,165
As at March 31, 2025	13,678	-	-	40,782,351	-	5,169	40,801,198	3,043,410
Estimated useful life (in years)	5	4	1	6-11	2	3		
Estimated remaining useful life (in years)	-	-	-	8	-	1		

## Intangible Asset under Development Ageing Schedule

(Amounts in USD)

Particulars	Amount in Intangible Asset under Development for a period of			
	Less than 1 year	1-2 years	More than 2 years	Total
<b>As at 31 March 2026</b>				
Projects in progress*	4,384,755	3,043,410	-	7,428,165
Project temporarily suspended	-	-	-	-
<b>Total</b>	<b>4,384,755</b>	<b>3,043,410</b>	<b>-</b>	<b>7,428,165</b>
<b>As at 31 March 2025</b>				
Projects in progress*	3,043,410	-	-	3,043,410
Project temporarily suspended	-	-	-	-
<b>Total</b>	<b>3,043,410</b>	<b>-</b>	<b>-</b>	<b>3,043,410</b>

\*There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

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Notes to the consolidated financial statements for the year ended March 31, 2026

(Amounts in USD)

	As at March 31, 2026	As at March 31, 2025
<b>4.1 : Investments</b>		
<b>Non-current investments</b>		
<b>Equity instruments carried at fair value (Traded, quoted) through profit &amp; loss</b>		
Investment in Principal Financial Group Inc., (As at March 31, 2026 & As at March 31, 2025 138 shares of USD 0.01 per share)	13,084	11,643
<b>Equity instruments carried at fair value (Non-traded, unquoted) through OCI</b>		
Investment in simple agreement for future equity - Retail 10X, Inc.	-	-
SemiCab Inc. (As at March 31, 2026 & As at March 31, 2025 2,252,686 shares at face value of USD 0.225 per share)	225	479
Treeni Sustainability Solutions Inc. (As at March 31, 2026 & As at March 31, 2025 2,993,941 shares at face value of USD 0.00001 per share)	84,937	102,500
Cloudlex Inc. (As at March 31, 2026 & As at March 31, 2025 735,759 shares at face value of USD 0.00001 per share)	233,449	292,000
<b>Total</b>	<b>331,695</b>	<b>406,622</b>
Aggregate amount of quoted investments	13,084	11,643
Aggregate market value of quoted investments	13,084	11,643
Aggregate amount of unquoted investments	318,611	394,979
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit & loss	13,084	11,643
Investments carried at fair value through other comprehensive income	318,611	394,979
Investments carried at amortised cost	-	-
<b>Current investments</b>		
<b>Investments carried at fair value through profit and loss:</b>		
<b>Investments in funds (Traded, quoted)</b>		
	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>No. of Units</b>	<b>In USD</b>
HSBC US treasury money market funds	-	1,809,689
Federated Tr US Trsy Oblg Is	-	1
PIMCO Exchange Traded Fund	-	100
American Strategic Bond CI F3	-	3,165
Guggenheim Total Return Bond CI I	-	1,915
Hartford Strategic Income CI F	-	2,224
Invesco Corporate Bond CI R6	-	4,515
Lord Abbett Bond Debenture CI F3	-	2,845
Lord Abbett Convertible CI F3	-	811
PIMCO Diversified Income CI I	-	3,240
PIMCO Income CI I	-	4,304
PIMCO International Bond (USD-Hedged) CI I	-	3,502
PIMCO Investment Grade Credit Bond CI I	-	4,206
PIMCO Preferred & Capital Securities CI I	-	4,009
Western Asset Corporate Bond CI I	-	3496.625
<b>Total</b>	<b>1,809,689</b>	<b>10,678,959</b>
Aggregate amount of quoted investments	1,809,689	10,678,959
Aggregate market value of quoted investments	1,809,689	10,678,959
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit & loss	1,809,689	10,678,959
Investments carried at amortized cost	-	-
<b>4.2 : Other financial assets (Carried at amortised cost, unless otherwise stated)</b>		
Unsecured, considered good		
Finance lease receivables	8,372,662	-
Security deposits	307,687	-
Other assets	-	443,380
<b>Total</b>	<b>8,680,349</b>	<b>443,380</b>
<b>4.3 : Other non-current assets</b>		
Unsecured, considered good		
Capital advances	5,000,000	3,018,085
Other assets	651,176	-
<b>Total</b>	<b>5,651,176</b>	<b>3,018,085</b>

(Amounts in USD)

	As at March 31, 2026	As at March 31, 2025
<b>5 : Trade receivables</b>		
Unsecured*		
Billed		
Considered good	26,039,500	41,507,447
Less: Allowance for credit losses	506,140	739,203
	<u>25,533,360</u>	<u>40,768,244</u>
Credit impaired	6,174,235	1,064,785
Less : Allowance for credit losses	6,174,235	1,064,785
	<u>-</u>	<u>-</u>
Unbilled	17,463,303	11,241,371
Less : Allowance for credit losses	5,450,000	-
	<u>12,013,303</u>	<u>11,241,371</u>
<b>Total</b>	<u><b>37,546,663</b></u>	<u><b>52,009,615</b></u>

**Trade receivable ageing schedule**

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>								
Undisputed trade receivables - considered good	12,013,303	15,749,600	6,335,188	2,687,071	1,267,641	-	-	<b>38,052,803</b>
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	5,450,000	-	4,164,123	1,376,493	503,619	-	130,000	<b>11,624,235</b>
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	(5,450,000)	(306,131)	(4,287,263)	(1,428,723)	(528,258)	-	(130,000)	<b>(12,130,375)</b>
<b>Total</b>	<b>12,013,303</b>	<b>15,443,469</b>	<b>6,212,048</b>	<b>2,634,841</b>	<b>1,243,002</b>	<b>-</b>	<b>-</b>	<b>37,546,663</b>
<b>As at March 31, 2025</b>								
Undisputed trade receivables - considered good	11,241,371	16,247,925	10,949,113	13,912,935	397,474	-	-	<b>52,748,818</b>
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	201,424	743,389	20,000	99,972	<b>1,064,785</b>
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(341,215)	(289,304)	(295,566)	(757,931)	(20,000)	(99,972)	<b>(1,803,988)</b>
<b>Total</b>	<b>11,241,371</b>	<b>15,906,710</b>	<b>10,659,809</b>	<b>13,818,793</b>	<b>382,932</b>	<b>-</b>	<b>-</b>	<b>52,009,615</b>

During the year, certain trade receivables amounting to USD 2,531,088 were sold and assigned to financial institutions on a non-recourse basis. As substantially all risks and rewards have been transferred, such receivables have been derecognised and are not included under trade receivables.

\*Information about the Group's exposure to credit and market risks, and impairment losses for other financial assets are included in note 28.

For the amounts receivable from Related parties refer note 33.

**6.1 : Cash and cash equivalents**

Balances with banks		
In current accounts	6,585,170	9,025,563
In deposit accounts with original maturity of less than 3 months*	217	12,965
<b>Total</b>	<u><b>6,585,387</b></u>	<u><b>9,038,528</b></u>

\* The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the group at any point without prior notice or penalty on the principal.

**6.2 : Bank balances other than above**

Bank deposits with original maturity of more than three months but less than 12 months

In earmarked accounts

Balance held as margin money or security against borrowings*	20,000	20,000
<b>Total</b>	<u><b>20,000</b></u>	<u><b>20,000</b></u>

\* Held as margin money by bank against bank guarantees

**6.3 : Other financial assets (Carried at amortised cost, unless otherwise stated)**

Unsecured, considered good		
Reimbursement of expenses receivable from related parties (Refer note 33)	1,335,911	76,412
Security deposits	87,954	202,230
Compensation right asset (Refer note 28)	423,346	659,473
<b>Total</b>	<u><b>1,847,211</b></u>	<u><b>938,115</b></u>

**6.4 : Other current assets**

Unsecured, considered good		
Contract assets (net-off allowance for credit losses) (Refer note 23)	2,560,105	5,773,234
Advances to employees	83,310	98,285
Prepaid expenses	512,885	502,934
Balances with Government authorities	1,323,008	544,952
Advance to suppliers	3,219,254	1,472,224
Insurance recoverables	-	1,374,912
Other assets	212,604	-
<b>Total</b>	<u><b>7,911,166</b></u>	<u><b>9,766,541</b></u>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes to the consolidated financial statements for the year ended March 31, 2026

	(Amounts in USD)	
	As at March 31, 2026	As at March 31, 2025
<b>7 : Equity share capital</b>		
<b>Authorized</b>		
Common Stock 3,500,000 shares at USD 1 par value	3,500,000	3,500,000
(As at March 31, 2025 Common Stock 3,500,000 shares at USD 1 par value)		
<b>Issued, Subscribed and paid-up</b>		
300,000 shares at USD 1 par value each fully paid-up	300,000	300,000
(As at March 31, 2025 300,000 shares at USD 1 par value each fully paid-up)		
<b>Total</b>	<b>300,000</b>	<b>300,000</b>
<b>Refer notes (i) to (iv) below:</b>		
i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:		
	<b>As at March 31, 2026</b>	
	<b>No of shares</b>	<b>Amount in USD</b>
Outstanding at the beginning of the year	300,000	300,000
Add: Shares issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>300,000</b>	<b>300,000</b>
	<b>As at March 31, 2025</b>	
	<b>No of shares</b>	<b>Amount in USD</b>
Outstanding at the beginning of the year	300,000	300,000
Add: Shares issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>300,000</b>	<b>300,000</b>
ii) Rights, preferences and restrictions attached to shares		
The Company has only one class of equity shares. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in USD. 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.		
iii) Shares held by holding Company/ultimate holding Company along with details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
	<b>As at March 31, 2026</b>	
	<b>No of shares</b>	<b>% of holding in the class</b>
Sonata Software Limited	300,000	100%
	<b>As at March 31, 2025</b>	
	<b>No of shares</b>	<b>% of holding in the class</b>
Sonata Software Limited	300,000	100%
iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period end.		
<b>8 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	56,419,238	42,121,049
Profit for the year	4,672,988	14,298,189
<b>Closing balance</b>	<b>61,092,226</b>	<b>56,419,238</b>
Retained earning comprises of the amounts that can be distributed as dividends to its equity share holders.		
<b>Remeasurement of the defined benefit plans</b>		
Opening balance	(5)	5,287
For the year, (net of tax)	5,684	(5,292)
<b>Closing balance</b>	<b>5,679</b>	<b>(5)</b>
The remeasurement of (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss recognised in other comprehensive income.		
<b>Equity instruments through other comprehensive income</b>		
Opening balance	(1,105,021)	-
For the year	(76,368)	(1,105,021)
<b>Closing balance</b>	<b>(1,181,389)</b>	<b>(1,105,021)</b>
The remeasurement of (loss) / gain on equity instruments, that will not be reclassified to statement of profit and loss recognised in other comprehensive income.		
<b>Foreign currency translation reserve</b>		
Opening balance	17,253	(18,478)
For the year, (net of tax)	18,328	35,731
<b>Closing balance</b>	<b>35,581</b>	<b>17,253</b>
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than US dollar is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.		
<b>Total</b>	<b>59,952,097</b>	<b>55,331,465</b>

SONATA SOFTWARE NORTH AMERICA INC.  
Notes to the consolidated financial statements for the year ended March 31, 2026

	(Amounts in USD)	
	As at March 31, 2026	As at March 31, 2025
<b>9 : Borrowings</b>		
<b>Non-current financial liabilities</b>		
Term loan		
From banks - Secured*	29,958,335	26,666,667
Unsecured, considered good		
Loan from related party # (Refer note 33)	10,000,000	-
<b>Total</b>	<b>39,958,335</b>	<b>26,666,667</b>
<b>Current</b>		
Current portion of term loan*	29,970,910	25,000,000
<b>Total</b>	<b>29,970,910</b>	<b>25,000,000</b>
<p>*The Group has availed US dollar loan from Kotak Mahindra Bank Ltd which is secured by charge over property, plant and equipment, intangible and current assets of the Sonata Software North America Inc., USA, and Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.), USA. The loan is repayable in 16 quarterly instalments commencing from June, 2024 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Group has repaid an amount of USD 25 Million during the year and the balance as at the year end is USD 26.67 Million. (March 31, 2025: The Group has repaid an amount of USD 23.33 Million and the balance as at the year end is USD 51.67 Million).</p> <p>Additionally, during the current year, the Group has availed US dollar loan of USD 35 Million from DBS Bank Ltd which is secured by charge over assets of Sonata Software North America Inc., USA, and Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.), USA. The loan is repayable in 12 quarterly instalments commencing from June, 2025 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Group has repaid an amount of USD 1.75 Million during the year and the balance as at the year end is USD 33.25 Million.</p> <p>As at March 31, 2026, the Group did not comply with the covenant relating to DSCR falling below the minimum threshold of 1.00; Total Debt/EBITDA threshold of less than 1.75 and more than 20% variation between estimates and actuals in terms of revenues and EBITDA, which constitutes a breach under the terms of the loan agreement and the lenders obtained the right to demand immediate repayment of the outstanding loan amount as of the reporting date. However, the Group has obtained a waiver from the lender post balance sheet date, wherein the lender has confirmed that they will not demand immediate repayment of the loan. Accordingly, the classification of the loans has been kept as per the original contractual terms. The Group has also requested its lenders to amend the terms of the agreement by revising the frequency of testing financial covenants from a semi-annual basis to an annual basis.</p> <p># As at 31 March 2026, the group has obtained loan from Sonata Software Limited which is repayable within the tenure of 5 years. The loan bearing interest at a rate equal to the six-month SOFR is 6 month SOFR+margin of 2.50% per annum.</p> <p>The Group has obtained corporate gurantee from Sonata Software Limited for an amount not exeeding USD 77,500,000 towards borrowings.</p>		
<b>10 : Other financial liabilities</b>		
Payable for deferred consideration (Refer note 27)	3,000,000	-
Other liabilities	1,125,027	695,728
Rent deposit payable	732,063	-
<b>Total</b>	<b>4,857,090</b>	<b>695,728</b>
<b>10.1 : Other non-current liabilities</b>		
Advance rental income	314,682	-
<b>Total</b>	<b>314,682</b>	<b>-</b>
<b>11 : Trade payables</b>		
Total outstanding dues of creditors	95,808,716	89,912,993
<b>Total</b>	<b>95,808,716</b>	<b>89,912,993</b>
<p>Information about the Group's exposure to credit, liquidity and market risks for trade payables are included in note 28. For the amounts payable from Related parties refer note 33.</p>		
<b>12 : Other financial liabilities</b>		
Interest accrued and not due on borrowings	-	34,233
Employee benefits payable	1,985,403	3,242,037
Payable for deferred consideration (Refer note 27)	2,617,202	47,895,880
Reimbursable expenses payable to related party (Refer note 33)	571,134	435,141
Others	18,519	61,321
<b>Total</b>	<b>5,192,258</b>	<b>51,668,612</b>
<b>13 : Other current liabilities</b>		
Contract liabilities (Refer note 23)	1,375,842	2,848,320
Advances from customers	99,733	1,370,646
Statutory remittances	155,793	929,560
Other payables	-	30,491
<b>Total</b>	<b>1,631,368</b>	<b>5,179,017</b>
<b>14 : Provisions</b>		
Provision for employee benefits		
Provision for gratuity	11,607	9,350
Provision for compensated absences	902,957	1,391,372
<b>Total</b>	<b>914,564</b>	<b>1,400,722</b>
<b>15 : Current tax liabilities (net)</b>		
Provision for tax (net of advance tax USD 10,738,718 (for March 31, 2025 : USD 13,336,057))	3,213,579	3,241,742
<b>Total</b>	<b>3,213,579</b>	<b>3,241,742</b>

## SONATA SOFTWARE NORTH AMERICA INC.

## Notes to the consolidated financial statements for the year ended March 31, 2026

(Amounts in USD)

	For the year ended March 31, 2026	For the year ended March 31, 2025
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**16A. Income taxes**

The income tax asset is USD 1,801,058 (net of provision for tax of USD 27,713,886) as at March 31, 2026 and USD 329,818 (net of provision for tax of USD 22,882,926) as at March 31, 2025

**(a) Income tax expense in the statement of profit and loss consists of:****Current Tax:**

In respect of current year	2,973,812	7,255,639
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**Deferred Tax:**

In respect of current year (origination and reversal of temporary differences)	(2,350,562)	(855,795)
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**Total Income tax expense recognised in the statement of profit and loss**

<b>623,250</b>	<b>6,399,844</b>
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**(b) Income tax recognised in other comprehensive income**

Deferred tax related to items recognised in other comprehensive income during the year:

On remeasurement of defined benefit plan	(1,892)	1,779
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On exchange differences on translating the financial statements of foreign operations	(4,872)	(9,498)
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<b>Total</b>	<b>(6,764)</b>	<b>(7,719)</b>
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The reconciliation between the provision of income tax of the Company and amounts computed by applying the United States statutory income tax rate to profit before taxes is as follows:

Profit before tax	5,296,238	20,698,033
Enacted income tax rate in India	21.00%	21.00%
Computed expected tax expense	1,112,210	4,346,587

**Tax effect of:**

Items that are non- deductible in determining taxable profit	145,261	176,685
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Items that are deductible in determining taxable profit	(40,951)	(29,180)
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Taxes at lower rates (state taxes)	414,902	1,076,872
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Taxes on business combination	(571,165)	1,086,878
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Provision for tax relating to prior years	(807,695)	(88,794)
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Different tax rates of subsidiaries operating in other jurisdictions	183,148	75,828
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Others	187,540	(245,032)
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<b>Income tax expense recognised in the statement of profit and loss</b>	<b>623,250</b>	<b>6,399,844</b>
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The applicable US corporate federal tax rate for the year ended March 31, 2026 and March 31, 2025 are 21%.

**16B. Deferred tax assets****Deferred tax assets / (liabilities) as at March 31, 2026 in relation to:**

Particulars	As at April 1, 2025	Recognised in profit & loss	Recognised in other comprehensive income	Others	As at March 31, 2026
<b>Deferred tax assets</b>					
Property, plant and equipment	(86,437)	(6,296)	-	-	(80,141)
Lease liabilities	(15,438)	(35,087)	-	-	19,649
State income taxes	226,143	139,014	-	-	87,129
Allowances for credit losses	439,683	(2,768,728)	-	-	3,208,411
Limitation on interest deduction	-	(192,092)	-	-	192,092
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(4,586)	-	4,872	-	(9,458)
Others, including employees and other payables	1,152,644	616,248	-	1,819	534,577
<b>Gross deferred tax assets (A)</b>	<b>1,712,009</b>	<b>(2,246,941)</b>	<b>4,872</b>	<b>1,819</b>	<b>3,952,259</b>
<b>Deferred tax liabilities</b>					
Tax on business combination	(1,804,272)	(103,621)	-	-	(1,700,651)
<b>Gross deferred tax liabilities (B)</b>	<b>(1,804,272)</b>	<b>(103,621)</b>	<b>-</b>	<b>-</b>	<b>(1,700,651)</b>
<b>Net deferred tax liabilities</b>	<b>(92,263)</b>	<b>(2,350,562)</b>	<b>4,872</b>	<b>1,819</b>	<b>2,251,608</b>

**Deferred Tax assets / (liabilities) as at March 31, 2025 in relation to:**

Particulars	As at April 1, 2024	Recognised in profit & loss	Recognised in other comprehensive income	Others	As at March 31, 2025
<b>Deferred tax assets</b>					
Property, plant and equipment	(81,501)	4,936	-	-	(86,437)
Lease liabilities	10,617	26,055	-	-	(15,438)
State income taxes	-	(226,143)	-	-	226,143
Allowances for credit losses	147,380	(292,303)	-	-	439,683
Translation of foreign operations (Items that will be reclassified to profit/(loss))	4,912	-	9,498	-	(4,586)
Others, including employees and other payables	4,239	(1,146,840)	-	(1,565)	1,152,644
<b>Gross deferred tax assets (A)</b>	<b>85,647</b>	<b>(1,634,295)</b>	<b>9,498</b>	<b>(1,565)</b>	<b>1,712,009</b>
<b>Deferred tax liabilities</b>					
Tax on business combination	(1,025,772)	778,500	-	-	(1,804,272)
<b>Gross deferred tax liabilities (B)</b>	<b>(1,025,772)</b>	<b>778,500</b>	<b>-</b>	<b>-</b>	<b>(1,804,272)</b>
<b>Net deferred tax liabilities</b>	<b>(940,125)</b>	<b>(855,795)</b>	<b>9,498</b>	<b>(1,565)</b>	<b>(92,263)</b>

## SONATA SOFTWARE NORTH AMERICA INC.

Notes to the consolidated financial statements for the year ended March 31, 2026

(Amounts in USD)

	For the year end March 31, 2026	For the year ended March 31, 2025
<b>17 : Revenue from operations (Refer note 23)</b>		
Revenue from software services	197,091,643	244,135,298
Revenue from hardware/software product and licenses	14,204,274	5,733,573
Other operating revenues	2,105,419	1,564,552
<b>Total</b>	<b>213,401,336</b>	<b>251,433,423</b>
<b>17.1 : Other income</b>		
Interest income*	1,043,762	637,540
Net gain on sale of investments carried at fair value through profit or loss	32,079	-
Net gain on investments carried at fair value through profit or loss	271,376	381,536
Interest on income tax refund	-	2,170
Other non-operating income		
Liabilities/provisions no longer required written back	-	137,441
Gain on termination of lease	152,147	-
Gain on disposal / scrap of property, plant and equipment	-	3,387
Rental Income	55,988	-
Miscellaneous income	153	23,146
<b>Total</b>	<b>1,555,505</b>	<b>1,185,220</b>
*Interest income comprises of:		
Interest on bank balances and bank deposits	97,379	631,823
Interest on sub lease (Refer note 34)	926,812	-
Interest on financial assets carried at amortised cost	19,571	5,717
<b>18 : Purchases of stock-in-trade (traded goods)</b>		
Purchase of stock-in-trade (traded goods) (includes related party, refer note 33)	13,154,849	4,065,645
<b>Total</b>	<b>13,154,849</b>	<b>4,065,645</b>
<b>19 : Employee benefits expense</b>		
Salaries, wages and bonus	48,276,437	58,914,777
Contribution to funds	1,634,973	1,770,125
Staff welfare expenses	3,001,935	3,029,478
<b>Total</b>	<b>52,913,345</b>	<b>63,714,380</b>
<b>20 : Finance costs</b>		
Interest expense on financial liabilities measured at amortised cost:		
Borrowings (includes related party, refer note 33)	4,275,223	4,342,887
Lease liability (Refer note 34)	921,336	62,881
Unwinding of contingent consideration (Refer note 27)	-	2,000,611
Others	44,006	36,185
Other borrowing costs (includes related party, refer note 33)	612,205	-
<b>Total</b>	<b>5,852,770</b>	<b>6,442,564</b>
<b>21: Depreciation and Amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3.1)	530,838	247,224
Depreciation of right on use assets (Refer note 34)	678,799	611,664
Amortization of intangible assets (Refer note 3.3)	4,686,191	8,125,254
<b>Total</b>	<b>5,895,828</b>	<b>8,984,142</b>
<b>22 : Other expenses</b>		
Software project fees (Refer note 33)	91,614,915	82,965,999
Insourcing professional fees	26,791,525	55,998,583
Rates and taxes	1,192,233	1,517,855
Travelling and conveyance expenses	1,526,099	1,391,030
Professional and technical fees	1,249,962	1,185,692
Impairment loss/(gain) recognised on trade receivables and contract assets (Refer note 23 & 28)	2,536,088	848,060
Sales commission	671,865	1,386,860
Insurance	130,302	208,360
Communication cost	242,015	243,173
Rent (Refer note 34)	216,784	527,816
Software license fees	183,699	169,042
Legal fees	107,170	447,416
Facility maintenance	329,656	253,265
Net loss on foreign currency transaction and translation	464,557	343,646
Loss on property, plant and equipment sold / scrapped	255,451	-
Miscellaneous expenses	814,816	670,016
Power and fuel	71,628	36,821
Recruitment	93,435	468,088
Repairs and maintenance	11,239	45,715
Expenditure on corporate social responsibility	9,704	6,442
Repairs and maintenance - Buildings	994	-
<b>Total</b>	<b>128,514,137</b>	<b>148,713,879</b>

**SONATA SOFTWARE NORTH AMERICA INC.**

Notes to the consolidated financial statements for the year ended March 31, 2026

**23 Revenue from operations**

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 by contract type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors. All the revenue from customers are from United States of America. Hence disclosure at Geographical level is not applicable.

(Amounts in USD)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Revenue from software services (over the period)		
Time and material	77,568,813	73,630,048
Fixed price	121,628,249	172,069,802
Revenue from software product and licenses at a point in time	14,204,274	5,733,573
<b>Total</b>	<b>213,401,336</b>	<b>251,433,423</b>

**Contract Price**

Reconciliation of revenue recognized in the consolidated statement of profit and loss with the contracted price

(Amounts in USD)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Revenue as per contracted price	214,068,325	252,951,822
Less: Adjustment for discounts	666,989	1,518,399
<b>Revenue recognized in statement of Profit and Loss</b>	<b>213,401,336</b>	<b>251,433,423</b>

**Trade receivables and contract balances**

Trade receivable and unbilled revenues are presented net of impairment in the balance sheet.

**Contract assets**

The below table discloses the movement in the balance of contract assets:

(Amounts in USD)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
<b>Balance as at beginning of the year</b>	<b>5,773,234</b>	<b>8,155,539</b>
Amount accrued during the year	22,001,662	55,642,958
Deduction on account of revenues billed during the year	(24,178,547)	(58,025,263)
Allowance for credit losses	(1,036,244)	-
<b>Balance as at end of the year</b>	<b>2,560,105</b>	<b>5,773,234</b>

**Contract liabilities**

The below table discloses the movement in the balance of contract liabilities:

(Amounts in USD)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
<b>Balance as at beginning of the year</b>	<b>2,848,320</b>	<b>466,574</b>
Additional amounts billed but not recognized as revenue	27,630,610	17,440,510
Deduction on account of revenues recognised during the year	(29,103,088)	(15,058,764)
<b>Balance as at end of the year</b>	<b>1,375,842</b>	<b>2,848,320</b>

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2026, other than those meeting the exclusion criteria mentioned above, is USD 85,885,410 (previous year 74,052,827). The Group expects to recognize the revenue within the next one year is USD 22,650,656 million (USD 17,657,732). This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

SONATA SOFTWARE NORTH AMERICA INC.

Notes to the consolidated financial statements for the year ended March 31, 2026

**24 Commitments**

There is no estimated amounts of contracts remaining to be executed on capital account.

**25 Contingent liabilities**

The group does not have any pending litigations which would impact its financial position.

**26 Financial instruments**

The carrying value of financial instruments by categories as at March 31, 2026 are as follows:

(Amounts in USD)

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total carrying value
<b>Financial assets</b>					
Investments in mutual funds (quoted)	4.1	1,809,689	-	-	1,809,689
Investments in shares (quoted)	4.1	13,084	-	-	13,084
Investments in shares (unquoted)	4.1	-	318,611	-	318,611
Trade receivables	5.0	-	-	37,546,663	37,546,663
Cash and cash equivalents	6.1	-	-	6,585,387	6,585,387
Bank balances other than above	6.2	-	-	20,000	20,000
Other financial assets	4.2 & 6.3	-	-	10,527,560	10,527,560
<b>Total</b>		<b>1,822,773</b>	<b>318,611</b>	<b>54,679,610</b>	<b>56,820,994</b>
<b>Financial liabilities</b>					
Borrowings	9	-	-	69,929,245	69,929,245
Trade payables	11	-	-	95,808,716	95,808,716
Lease liabilities	34	-	-	8,394,757	8,394,757
Other financial liabilities	10 & 12	-	-	10,049,348	10,049,348
<b>Total</b>		<b>-</b>	<b>-</b>	<b>184,182,066</b>	<b>184,182,066</b>

The carrying value of financial instruments by categories as at March 31, 2025 are as follows:

(Amounts in USD)

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total carrying value
<b>Financial assets</b>					
Investments in mutual funds (quoted)	4.1	10,678,959	-	-	10,678,959
Investments in shares (quoted)	4.1	11,643	-	-	11,643
Investments in shares (unquoted)	4.1	-	394,979	-	394,979
Trade receivables	5.0	-	-	52,009,615	52,009,615
Cash and cash equivalents	6.1	-	-	9,038,528	9,038,528
Bank balances other than above	6.2	-	-	20,000	20,000
Other financial assets	4.2 & 6.3	-	-	1,381,495	1,381,495
<b>Total</b>		<b>10,690,602</b>	<b>394,979</b>	<b>62,449,638</b>	<b>73,535,219</b>
<b>Financial liabilities</b>					
Borrowings	9	-	-	51,666,667	51,666,667
Trade payables	11	-	-	89,912,993	89,912,993
Lease liabilities	34	-	-	737,970	737,970
Other financial liabilities	10 & 12	-	-	52,364,340	52,364,340
<b>Total</b>		<b>-</b>	<b>-</b>	<b>194,681,970</b>	<b>194,681,970</b>

The Management assessed that fair value of bank balances and trade receivables, trade payables, lease liability, borrowings, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The fair value of the quoted funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.

2. The fair values of the unquoted equity have been estimated using a discounted cash flow model. The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates whose range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted equity investments.

3. The group does not have any derivative financial instruments.

**27 Fair value hierarchy**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2026 and March 31, 2025.

Quantitative disclosures of fair value measurement hierarchy for financial assets is as under:

Particulars	Fair value as at		Fair value hierarchy
	March 31, 2026	March 31, 2025	
Investments in mutual funds (quoted)	1,809,689	10,678,959	Level 1
Investments in equity instruments (quoted)	13,084	11,643	Level 1
Investment in equity instruments	318,611	394,979	Level 3
Fair value of contingent consideration payable	5,617,202	47,895,880	Level 3

**Valuation techniques and significant unobservable inputs:**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the balance sheet.

Type	Valuation technique	Significant unobservable inputs
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable
Equity instruments (unquoted)	Discounted cash flow method using risk adjusted discount rate.	- Discounted cash flows - Risk adjusted discount rate - Terminal growth rate
Contingent consideration	Discounted cash flow: The valuation model considers the present value of expected payment discounted using a risk adjusted discount rate. The expected payment is determined by considering the forecasted EBITDA and Revenues	- Forecasted Revenue/EBITDA - Risk adjusted discount rate

i) Reconciliation of fair value measurement of investment in Unquoted equity instrument classified as FVTOCI (Level 3):

Particulars	(Amounts in USD)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	394,979	1,500,000
Remeasurement recognised in OCI	(76,368)	(1,105,021)
<b>Closing balance</b>	<b>318,611</b>	<b>394,979</b>

ii) Reconciliation of fair value measurement of payables for acquisition of subsidiaries classified as FVTPL (Level 3):

Particulars	(Amounts in USD)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	47,895,880	118,644,974
Additions during the year	-	-
Fair value measurement recognised in consolidated statement of profit and loss	-	2,000,611
Remeasurement recognised in consolidated statement of profit and loss	(6,895,880)	-
Payout during the year	(35,000,000)	(70,530,759)
Other adjustments	(382,798)	(2,218,946)
<b>Closing balance</b>	<b>5,617,202</b>	<b>47,895,880</b>

During the year ended March 31, 2026, the group has re-measured the fair value of the contingent consideration payable with respect to the acquisition, which has resulted in the decrease in fair value to USD 5,617,202. The above changes in fair value of contingent consideration payable has resulted in reduction of USD 6,895,880. This change is considered post finalization of all negotiation with erstwhile shareholder. The Management has disclosed the above changes in fair value as an 'exceptional item', considering the significance of the amount and its non-recurring nature.

**28 Financial risk management**

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The group's risk management policies are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews policies for managing each of these risks, which are summarized below:

**i) Credit risk**

Credit risk is the risk of financial loss to the group's if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk at the reporting date is primarily from equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade and other receivables**

Management considers that the demographics of the group's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the group to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2025 is considered adequate.

The following table gives details in respect of revenues generated from customers having more than 10% of total revenue (excluding Inter Company):

Particulars	(Amounts in USD)	
	March 31, 2026	March 31, 2025
Revenue from customers having more than 10% of total revenue	58,004,952	102,910,472
No. of customers	1	2

**Geographic concentration of credit risk**

Geographic concentration of trade receivables and allowance for credit loss is in United States of America. Hence disclosure at Geographical level is not applicable.

**Expected credit loss**

The group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. There are no trade receivables or other financial assets which have a significant increase in credit risk.

**Movement in allowances for credit losses**

Particulars	(Amounts in USD)	
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1,803,988	1,395,957
Allowance/(reversal) for expected credit loss (net)*	6,039,271	526,466
Bad debts written off during the year	(1,162,883)	(118,435)
<b>Balance at the end of the year</b>	<b>6,680,376</b>	<b>1,803,988</b>

\* The group has reversed compensation right asset amounting to USD 236,127 against the allowance for expected credit loss. The group has disclosed the remaining amount of USD 6,275,398 as allowance for expected credit loss. (Refer note 2.2 (o) for the accounting policy on compensation right assets). (As at 31 March 2025 : The group has reversed compensation right asset amounting to USD 321,594 against the allowance for expected credit loss. The group has disclosed the remaining amount of USD 848,060 as allowance for expected credit loss.) (Refer note 2.2 (o) for the accounting policy on compensation right assets).

The Company has assessed the potential impact on the initiation of proceedings by the Company against one of its customers on its operations and financial position. During the year, the Company has created provisions for outstanding receivables from the customer as on 31 March 2026 amount to USD 10,225,554. Considering the nature of this transaction where a large client has filed bankruptcy, the provision is shown as 'exceptional item' during the year. The Management in consultation with legal advisors, are actively engaged in monitoring the matter, and appropriate actions are being taken to protect the Company's interests.

**Investments**

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

**ii) Liquidity risk**

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the group has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

The group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

**The liquidity position of the group is given below:**

Particulars	(Amounts in USD)	
	March 31, 2026	March 31, 2025
Cash and cash equivalents	6,585,387	9,038,528
Investments in mutual funds (quoted)	1,809,689	10,678,959
Trade receivables	37,546,663	52,009,615
Other financial assets	1,847,211	938,115
Other current assets	7,911,166	9,766,541

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2026 and March 31, 2025:

Particulars	(Amounts in USD)		
	As at March 31, 2026		
	Less than 1 year	1-2 years	2 years & above
Borrowings	29,970,910	29,958,335	10,000,000
Trade payables	95,808,716	-	-
Lease liabilities	1,645,253	1,454,825	8,426,330
Other financial liabilities	5,192,258	-	-

Particulars	(Amounts in USD)		
	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Borrowings	25,000,000	13,333,333	13,333,334
Trade payables	89,912,993	-	-
Lease liabilities	428,678	355,117	-
Other financial liabilities	51,668,612	-	-

**iii) Market risk****Foreign currency exchange rate risk**

The group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in Indina rupees, British pound sterling, Mexican Peso and Canadian dollars). The group reviews on a periodic basis to formulate the strategy for foreign currency risk management.

SONATA SOFTWARE NORTH AMERICA INC.

Notes to the consolidated financial statements for the year ended March 31, 2026

Exposure currency:					Amounts in USD
As at March 31, 2026	INR	CAD	MXN	GBP	Others
<b>Assets</b>					
Trade receivables	-	33,502	-	-	-
Cash and cash equivalents	294,600	214,115	60,888	-	-
Other assets	23,630	10,491	-	-	-
<b>Liabilities</b>					
Trade payables	(769,704)	-	(29,403)	-	(40,336)
Other liabilities	-	(5,919)	-	(17,266)	(156,911)
<b>Net assets/(liabilities)</b>	<b>(451,474)</b>	<b>252,189</b>	<b>31,485</b>	<b>(17,266)</b>	<b>(197,247)</b>

Amounts in USD					
As at March 31, 2025	INR	CAD	MXN	GBP	Others
<b>Assets</b>					
Trade receivables	-	282,303	-	-	-
Cash and cash equivalents	897,409	110,555	159,069	-	-
Other assets	3,567,589	-	9,875	-	-
<b>Liabilities</b>					
Trade payables	(815,487)	-	(15,536)	(143,249)	(87,667)
Other liabilities	(408,043)	(42,887)	(122,681)	(10,797)	(29,897)
<b>Net assets/(liabilities)</b>	<b>3,241,468</b>	<b>349,971</b>	<b>30,727</b>	<b>(154,046)</b>	<b>(117,564)</b>

\*Others include currencies such as Euro, Malaysian ringgit and Qatari riyal.

A reasonably possible strengthening or weakening by 1% of respective currency against the USD as at March 31, 2026 and March 31, 2025 will affect the statement of profit and loss by the amounts shown below:

Currencies	Amounts in USD	
	March 31, 2025	March 31, 2025
INR	(4,515)	32,415
CAD	2,522	3,500
MXN	315	307
GBP	(173)	(1,540)
Others	(1,972)	(1,176)

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's investments. The group's investments are primarily short-term, which do not expose it to significant interest rate risk.

In respect of the Group's borrowings, 50 bps decrease/ increase in the interest rate would have resulted in:

- an approximately USD 299,583 increase and decrease in the Group's net profit as at March 31, 2026;
- an approximately USD 258,333 increase and decrease in the Group's net profit as at March 31, 2025;

**29 Capital management**

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The group monitors the return on capital as well as the level of dividends on its equity shares. The group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the group consists of the following:

Particulars	(Amounts in USD)	
	March 31, 2026	March 31, 2025
Total equity attributable to the equity share holders of the Company	60,252,097	55,631,465
As percentage of total capital	43%	51%
Total borrowings	69,929,245	51,666,667
Total lease liabilities	8,394,757	737,970
<b>Total borrowings and lease liabilities</b>	<b>78,324,002</b>	<b>52,404,637</b>
As a percentage of total capital	57%	49%
<b>Total capital (borrowings and equity)</b>	<b>138,576,099</b>	<b>108,036,102</b>

The group is equally financed by equity and external borrowings which is evident from the capital structure table.

**30 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole group as one segment i.e. IT Services. All the customers are in United States i.e. only one geographical segment. Thus, as defined in Ind AS 108 "Operating Segments", the group's entire business falls under this one operational segment and one geographical segment, hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements.

**31 Net assets and profit or loss attributable to owners and non-controlling interest**

Management has assessed the materiality of subsidiaries for the purposes of Ind AS 112 by considering their relative contribution to consolidated revenue, profit and net assets, as well as qualitative risk factors. Based on this assessment, no subsidiary is considered material for separate summarised financial information disclosures.

**32 Earnings per share**

Reconciliation of number of equity shares used in the computation of basic earnings per share is set out below:

Particulars	(Amounts in USD)	
	Year ended March 31, 2026	Year ended March 31, 2025
Profit after tax attributable to equity shareholders (a)	4,672,988	14,298,189
Weighted average number of equity shares outstanding during the year for basic EPS (b)	300,000	300,000
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	300,000	300,000
Basic earning per share (a/b) (USD)	15.58	47.66
Diluted earning per share (a/c) (USD)	15.58	47.66

SONATA SOFTWARE NORTH AMERICA INC.

Notes to the consolidated financial statements for the year ended March 31, 2026

33 Related party disclosure

i) Details of related parties :

Description of relationship

Names of related parties

(a) Holding company

Sonata Software Limited

(a) Fellow subsidiaries

Sonata Software Solutions Limited  
 Gapbuster Worldwide Pty Ltd  
 Gapbuster Inc  
 Sonata Information Technology Limited  
 Sonata Europe Limited  
 Sonata Software Intercontinental Limited  
 Sonata Software Limited  
 Sonata Software Worldwide Malaysia Sdn. Bhd.  
 Sonata Software (Qatar) LLC  
 Sonata Software Malaysia SDN. BHD.  
 Encore IT Services Solutions Private Limited  
 Sonata Software (Shanghai) Co. Ltd

(b) Key management personnel (KMP)

Samir Dhir - Group CEO  
 Jagannathan C N – CFO  
 Sharmila Sherikar – President & Director  
 Satish Reddy Madur – Director (resigned w.e.f Sep 02, 2025)  
 Santos Jha - Director (resigned w.e.f Sep 02, 2025)  
 Surin Kapadia - Independent Director (w.e.f Sep 02, 2025)  
 Manu Swami - Director (w.e.f Sep 02, 2025)

ii) Transactions with related parties :

(Amounts in USD)

Particulars	March 31, 2026	March 31, 2025
<b>Revenue from services</b>		
Sonata Information Technology Limited	-	208,850
<b>Purchase of Software products and licenses</b>		
Sonata Information Technology Limited	4,117	187,767
<b>Sub Lease Income</b>		
Sonata Software Limited	560,540	-
Sonata Information Technology Limited	21,390	-
<b>Rental Income</b>		
Sonata Software Limited	916,043	
Sonata Information Technology Limited	18,524	
<b>Software project fees</b>		
Sonata Software Limited	75,847,539	59,978,755
Encore IT Services Solutions Private Limited	697,744	4,856,412
Sonata Europe Limited	333,200	625,289
Sonata Software Intercontinental Limited	241,681	140,493
Sonata Software Malaysia SDN. BHD.	796,849	1,659,561
Sonata Information Technology Limited	398,402	340,559
Sonata Software Solutions Limited	13,299,500	15,364,930
<b>Reimbursement of expenses paid</b>		
Gapbuster Worldwide Pty Ltd		
Sonata Software Worldwide Malaysia Sdn. Bhd.	-	12,640
Sonata Europe Limited	-	83,752
Sonata Information Technology Limited	1,876,034	-
Sonata Software Limited	98,182	124,684
Encore IT Services Solution Pvt Ltd	-	1,927
Sonata Software (Shanghai) Co. Ltd	92,384	29,897
Sonata Software Solutions Limited	-	3,239
<b>Reimbursement of expenses received</b>		
Gapbuster Inc	-	-
Sonata Europe Limited	-	3,263
Sonata Information Technology Limited	9,243	91,109
Sonata Software Limited	2,281,366	309,019
Sonata Software Solutions Limited	-	7,891
<b>Acquisition of property, plant and equipment</b>		
Sonata Software Limited	-	177,781
Sonata Information Technology Limited	-	37,080

## SONATA SOFTWARE NORTH AMERICA INC.

Notes to the consolidated financial statements for the year ended March 31, 2026

<b>Security Deposit received</b>		
Sonata Information Technology Limited	28,293	-
Sonata Software Limited	1,103,440	-
<b>Commission paid on guarantees given by subsidiary</b>		
Sonata Software Limited	611,508	-
<b>Loan from related party</b>		
Sonata Software Limited	10,000,000	-
<b>Interest expense on loan from related party</b>		
Sonata Software Limited	123,054	-
<b>Compensation of key management personnel of the Company</b>		
Short-term employee benefits	1,846,259	1,072,569
<b>Balances outstanding at the end of the year</b>		
<b>Trade Receivables</b>		
Sonata Software Intercontinental Limited	-	4,654
Sonata Software Solutions Limited	196,954	-
Sonata Information Technology Limited	29,005	208,850
Sonata Software Malaysia SDN. BHD.	-	-
<b>Trade Payables</b>		
Encore IT Services Solutions Private Limited	299,858	447
Sonata Software Solutions Limited	15,240,578	12,250,703
Sonata Software Limited	69,466,443	58,262,110
Sonata Europe Limited	54,800	143,249
Sonata Software Malaysia SDN. BHD.	21,972	78,067
Sonata Software Intercontinental Limited	75,433	-
Sonata Information Technology Limited	744,082	189,975
<b>Reimbursement of expenses payable</b>		
Sonata Software Limited	479,268	386,023
Sonata Software Solutions Limited	-	6,498
Sonata Europe Limited	-	10,797
Sonata Software (Shanghai) Co. Ltd	67,547	29,897
Sonata Information Technology Limited	24,318	-
Encore IT Services Solution Pvt Ltd	-	1,927
<b>Reimbursement of expenses receivable</b>		
Sonata Software Limited	1,230,994	27,971
Sonata Europe Limited	121	-
Sonata Information Technology Limited	100,481	36,198
Sonata Software (Qatar) LLC	4,315	4,315
Sonata Software Malaysia SDN. BHD.	-	7,928
<b>Payable on property, plant &amp; equipment</b>		
Sonata Software Limited	-	175,074
Sonata Information Technology Limited	-	835
<b>Security deposit payable</b>		
Sonata Information Technology Limited	26,369	-
Sonata Software Limited	1,028,373	-
<b>Loan payable to related party</b>		
Sonata Software Limited	10,000,000	-
<b>Guarantees obtained by Subsidiary</b>		
Sonata Software Limited	77,500,000	-

**Terms and conditions with related party:**

1. The sales, purchases, loans given and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.

**SONATA SOFTWARE NORTH AMERICA INC.**

Notes to the consolidated financial statements for the year ended March 31, 2026

**34 : Leases**

**(a) - Group as a Lessee**

The Group leases mainly comprise of buildings for operational purposes.

Following are the changes in the carrying value of right of use assets:

(Amounts in USD)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>Balance at the beginning of the year</b>	<b>643,141</b>	<b>137,401</b>
Additions during the year	3,063,689	1,013,491
Deletions during the year	(109,254)	-
Depreciation for the year	(678,799)	(611,664)
Impact due to foreign exchange fluctuations	(127,384)	103,913
<b>Balance at the end of the year</b>	<b>2,791,393</b>	<b>643,141</b>

Incremental borrowing rate used for discounting of lease liabilities is 5.28% - 9.95% based on the lease term.

The lease term generally ranges from 3.5 to 9 years

The following is the movement in lease liabilities:

(Amounts in USD)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>Balance at the beginning of the year</b>	<b>737,970</b>	<b>168,585</b>
<b>Non-cash changes</b>		
Additions	9,170,573	1,013,491
Finance cost accrued during the year	921,336	62,881
Deletions during the year	(116,420)	-
Impact due to foreign exchange fluctuations	(565,681)	149,677
<b>Cash changes</b>		
Payment of lease liabilities	(1,753,021)	(656,664)
<b>Balance at the end of the year</b>	<b>8,394,757</b>	<b>737,970</b>

The following is the break-up of lease liabilities based on their maturities:

(Amounts in USD)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Current lease liabilities	1,494,829	413,577
Non-current lease liabilities	6,899,928	324,393
<b>Total</b>	<b>8,394,757</b>	<b>737,970</b>

**Contractual maturities of lease liabilities**

The table below provides details regarding the contractual maturities of lease liabilities as at balance sheet dates on an undiscounted basis:

(Amounts in USD)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Not later than one year	1,645,253	428,678
Later than one year and not later than 5 years	5,819,300	355,117
Later than 5 years	4,061,856	-

**(b) - Group as a lessor**

The following is the movement in the net investment in sublease in ROU asset:

(Amounts in USD)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	-	-
Additions during the year	9,569,380	-
Deletions during the year	-	-
Interest income accrued during the year	926,812	-
Lease receipts	(1,516,497)	-
Impact due to foreign exchange fluctuations	(607,033)	-
<b>Balance at the end of the year</b>	<b>8,372,662</b>	<b>-</b>

**SONATA SOFTWARE NORTH AMERICA INC.**  
**Notes to the consolidated financial statements for the year ended March 31, 2026**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

(Amounts in USD)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	1,454,181	-
Later than one year and not later than 5 years	6,267,669	-
Later than 5 years	4,411,129	-
<b>Total</b>	<b>12,132,979</b>	<b>-</b>

The group recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

(Amounts in USD)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>As a lessee</b>		
Finance cost on lease liabilities during the year (Refer note 20)	921,336	62,881
Depreciation on ROU assets (Gross) (Refer note 21)	678,799	611,664
Rent expense pertaining to short-term lease (Refer note 22)	216,784	527,816
<b>Total</b>	<b>1,816,919</b>	<b>1,202,361</b>
<b>As a lessor</b>		
Interest income on sub lease ROU asset (Refer note 17.1)	926,812	-
<b>Total</b>	<b>926,812</b>	<b>-</b>

**The accompanying notes form an integral part of the consolidated financial statements**

**As per our report of even date attached**

**For B S R & Co. LLP**  
*Chartered Accountants*  
 Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
 Sonata Software North America Inc.**

**Amrit Bhansali**  
*Partner*  
 Membership No. 065155

**Sharmila Sherikar**  
*Director & President*

**Manu Swami**  
*Director*

Place : Bengaluru  
 Date : May 06, 2026

Place : New Jersey  
 Date : May 06, 2026

Place : Georgia  
 Date : May 06, 2026

**SONATA EUROPE LIMITED**  
**Balance Sheet**

		Amount in GBP	
	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3.1	14,827	13,268
Goodwill	3.2	206,319	193,514
Other intangible assets	4	585,935	932,486
Financial assets			
Investments	5	2,038,618	2,038,618
Other financial assets	6	39,780	39,780
Other tax assets (net)		36,983	506,637
<b>Total non-current assets</b>		<b>2,922,462</b>	<b>3,724,303</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	7	5,723,139	3,486,565
Cash and cash equivalents	8	1,035,788	940,097
Other financial assets	9	1,380,197	1,127,460
Loans	9.1	-	140,824
Other current assets	10	666,938	1,865,460
<b>Total current assets</b>		<b>8,806,062</b>	<b>7,560,406</b>
<b>Total assets</b>		<b>11,728,524</b>	<b>11,284,709</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	11	2,460,360	2,460,360
Other equity	12	3,918,262	528,971
<b>Total Equity</b>		<b>6,378,622</b>	<b>2,989,331</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	13	3,305,527	5,334,602
Other financial liabilities	14	1,147,892	1,492,279
Other current liabilities	15	519,872	765,647
Provisions	16	281,074	235,383
Current tax liabilities (net)	17	95,537	467,467
<b>Total current liabilities</b>		<b>5,349,902</b>	<b>8,295,378</b>
<b>Total equity and liabilities</b>		<b>11,728,524</b>	<b>11,284,709</b>
Summary of material accounting policies refer note	2		
<b>The accompanying notes form an integral part of the financial statements</b>			

As per our report of even date attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Europe Limited

**Vivek Gopalakrishnan**  
Partner  
Membership No. 522796

**Uttam Hazari**  
Director

**Adam Kaye**  
Director

Place : Bengaluru  
Date : May 05, 2026

Place : London  
Date : May 05, 2026

Place : London  
Date : May 05, 2026

**SONATA EUROPE LIMITED**  
**Statement of Profit and Loss**

		Amount in GBP	
		For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>			
Revenue from operations	19	18,580,944	13,980,846
Other income	20	962	58,560
<b>Total Income</b>		<b>18,581,906</b>	<b>14,039,406</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade (traded goods)	21	1,896,442	743,513
Employee benefit expenses	22	3,432,822	2,949,846
Depreciation and amortization expense	23	396,247	412,779
Other expenses	24	9,289,269	13,566,909
<b>Total Expenses</b>		<b>15,014,780</b>	<b>17,673,047</b>
<b>Profit/(Loss) before tax</b>		<b>3,567,126</b>	<b>-3,633,641</b>
<b>Tax expense</b>			
Current tax expense	18A	128,644	
Deferred tax	18B		318,989
<b>Net tax expense</b>		<b>128,644</b>	<b>318,989</b>
<b>Profit/(Loss) after tax</b>		<b>3,438,482</b>	<b>-3,952,630</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>3,438,482</b>	<b>-3,952,630</b>
<b>Earnings per share - (on GBP 1 per share)</b>			
Basic (in GBP)	34	4,298.10	(4,940.79)
Diluted (in GBP)		4,298.10	(4,940.79)

**Summary of material accounting policies refer note** 2

**The accompanying notes form an integral part of the financial statements**

**As per our report of even date attached**  
**For B S R & Co. LLP**  
*Chartered Accountants*  
 Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of**  
**Sonata Europe Limited**

**Vivek Gopalakrishnan**  
*Partner*  
 Membership No. 522796

**Uttam Hazari**  
*Director*

**Adam Kaye**  
*Director*

Place : Bengaluru  
 Date : May 05, 2026

Place : London  
 Date : May 05, 2026

Place : London  
 Date : May 05, 2026

**SONATA EUROPE LIMITED**  
**Statement of Cash flows**

		Amount in GBP	
		For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net profit/(loss) before tax</b>		<b>3,567,126</b>	<b>(3,633,641)</b>
Adjustments for :			
Depreciation and amortization expense		396,247	412,779
Impairment loss/(gain) recognised on trade receivables and contract assets (Refer note 30 & 25)		181,746	-
Provision no longer required (net)		-	(24,014)
Interest income		-	(34,546)
Unrealized foreign exchange (gain) / loss		113,034	32,474
<b>Operating Profit/(Loss) before working capital changes</b>		<b>4,258,153</b>	<b>(3,246,948)</b>
Adjustments for :			
Decrease/(increase) in trade receivables		(2,548,953)	59,433
Decrease/(increase) in other current assets		1,198,522	(651,788)
Decrease/(increase) in other financial assets		(252,737)	759,411
(Decrease)/increase in trade payables		(2,070,864)	830,053
(Decrease)/increase in other current liabilities		(241,155)	381,165
(Decrease)/increase in other financial liabilities		(393,578)	1,196,054
(Decrease)/increase in short-term provisions		45,691	56,331
<b>Net cash flow from / (used in) operations</b>		<b>(4,921)</b>	<b>(616,289)</b>
Income taxes paid (net of refunds)		(30,920)	-
<b>Net cash flow from / (used in) operating activities</b>	<b>A</b>	<b>(35,841)</b>	<b>(616,289)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment including intangible assets, CWIP		(9,292)	(9,051)
Interest received on Inter-corporate deposits		140,824	34,546
Inter-corporate loans given		-	(227,952)
Inter-corporate loans recovered		-	952,413
<b>Net cash flow from / (used in) investing activities</b>	<b>B</b>	<b>131,532</b>	<b>749,956</b>
<b>Net cash flow from / (used in) financing activities</b>	<b>C</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C)</b>	95,691	133,667
Opening cash and cash equivalents		940,097	806,430
<b>Closing cash and cash equivalents</b>		<b>1,035,788</b>	<b>940,097</b>
Balances with banks			
In Current accounts		1,035,788	940,097
<b>Total</b>		<b>1,035,788</b>	<b>940,097</b>

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Europe Limited

Vivek Gopalakrishnan  
Partner  
Membership No. 522796

Place : Bengaluru  
Date : May 05, 2026

Uttam Hazari  
Director

Place : London  
Date : May 05, 2026

Adam Kaye  
Director

Place : London  
Date : May 05, 2026

**SONATA EUROPE LIMITED**  
Statement of changes in equity

**(a) Equity**

Equity share capital		Amount in GBP	
Particulars (Refer note 11)	As at March 31, 2026	As at March 31, 2025	
Balance at the beginning of the year	800	800	
Changes in equity share capital during the period	-	-	
<b>Balance at the end of the year</b>	<b>800</b>	<b>800</b>	

Convertible Preference share capital		Amount in GBP	
Particulars (Refer note 11)	As at March 31, 2026	As at March 31, 2025	
Balance at the beginning of the year	2,459,560	2,459,560	
Changes in convertible preference share capital during the period	-	-	
<b>Balance at the end of the year</b>	<b>2,459,560</b>	<b>2,459,560</b>	

**(b) Other equity**

Particulars	Reserves and Surplus		Total other equity
	Capital redemption reserve	Retained earnings	
<b>Balance as at April 1, 2024</b>	<b>3,235,440</b>	<b>1,246,161</b>	<b>4,481,601</b>
Profit/ (Loss) for the year	-	(3,952,630)	(3,952,630)
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(3,952,630)</b>	<b>(3,952,630)</b>
<b>Balance as at March 31, 2025</b>	<b>3,235,440</b>	<b>(2,706,469)</b>	<b>528,971</b>
<b>Balance as at April 1, 2025</b>	<b>3,235,440</b>	<b>(2,706,469)</b>	<b>528,971</b>
Profit/ (Loss) for the year	-	3,438,482	3,438,482
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3,438,482</b>	<b>3,438,482</b>
<b>Transactions with owners of the Company</b>			
<b>Contributions and distributions</b>			
Dividends on 2% Redeemable convertible preference shares	-	(49,191)	(49,191)
<b>Balance as at March 31, 2026</b>	<b>3,235,440</b>	<b>682,822</b>	<b>3,918,262</b>

Refer note 12 for the nature and purpose of reserves

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Europe Limited

**Vivek Gopalakrishnan**  
Partner  
Membership No. 522796

**Uttam Hazari**  
Director

**Adam Kaye**  
Director

Place : Bengaluru  
Date : May 05, 2026

Place : London  
Date : May 05, 2026

Place : London  
Date : May 05, 2026

## SONATA EUROPE LIMITED

### Notes to the financial statements for the year ended March 31, 2026

#### 1 COMPANY OVERVIEW

Sonata Europe Limited (the "Company") is a Company primarily engaged in the business of providing Information Technology services and solutions to its customers in the United Kingdom. The Company is incorporated in United Kingdom with its registered office at 11th Floor (West), The Mille, 1000 Great West Road, Brentford TW8 9DW. Sonata Software Limited has 100% ownership of Sonata Europe Limited. The financial statements have been approved for issue by the Company's Board of Directors on May 05, 2026.

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

#### 2 MATERIAL ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

###### a. Statement of compliance

These financial statements of the Company comprises the balance sheets as at March 31, 2026; the statement of profit and loss including other comprehensive income, the statement of changes in equity, the statement of cash flow and a summary of material accounting policies and other explanatory information for the year ended March 31, 2026, and other additional financial disclosures.

The Financial statements for the current and previous financial years were prepared under Indian accounting standards for the purposes of onward use by the Management of Ultimate Holding Company to prepare its consolidated financial statements. Accordingly, a separate transition into Ind AS reporting framework is not required. Further, these are not the statutory financial statements of the Company.

The Company has earned profit of GBP 3,438,482 (Previous year loss of GBP 3,952,630) during financial year ended March 31, 2026 and as of that date. The Company has incurred operating cash losses of GBP 35,841 in the current year (Previous year is GBP 3,246,948). The Company's management after considering above indicators, future business plans and future cash flow projections based on which it has carried out an assessment of its going concern status and believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment. To arrive at such judgement, the management have also considered the continued financial support from its Holding Company (Sonata Software Limited). The Holding Company has indicated its intention through an unconditional support letter to provide operational and financial support to the Company as necessary to enable it to continue its operations and meet its liabilities as and when they fall due in the normal course of its business for the foreseeable future. In addition to this, the Management expects to fund its operating and capital expenditure (if any) based on its own business operations and existing financing arrangements for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

###### b. Basis of measurement

The financial statements have been prepared on a historical cost convention, on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The operating cycle is the time between deployment of resources and the realization in cash or cash equivalents of the consideration for such services rendered. The Company's normal operating cycle is twelve months.

###### Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

###### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Great Britain Pounds ('GBP'), the national currency of United Kingdom, which is the functional currency of the Company.

All amounts are rounded off to the nearest GBP except per share data and unless otherwise indicated. Transactions and balances with value below rounding off norm adopted by the Company have been reflected as '-' in relevant notes to the financial statements (as applicable).

**d. Use of judgement, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**i) Impairment testing**

Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**ii) Depreciation and amortisation**

Depreciation and amortisation is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**iii) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions at the end of each reporting period. The policy for the same has been explained under note 2.2(m)

**iv) Income taxes and deferred taxes**

The primary tax jurisdiction for the Company is United Kingdom. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.2 (g)

**2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Investment in subsidiaries**

Investment in equity instruments of subsidiaries are measured at cost and subsequently measured at cost less impairment, if any, as per Ind AS 27. At each reporting date the Company assesses whether there is any indication of impairment and recognises impairment loss when necessary. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

**b. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

**SONATA EUROPE LIMITED****Notes to the financial statements for the year ended March 31, 2026****c. Depreciation/ amortisation**

Depreciation is calculated on the cost of property, plant and equipment less their estimated residual values and is generally recognised in the statement of profit and loss.

Depreciation has been provided on plant and equipments on the straight line method and on furniture and fixtures on the written down value, as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/(disposals) is provided from/ (upto) the date on which asset is ready for use/ (disposed off).

**Straight-line method**

<b>Asset class</b>	<b>Useful life</b>
Plant and equipments (Hardware)	3 years
Lease hold improvements	lease term or useful life whichever is earlier

**Written down method**

<b>Asset class</b>	<b>Depreciation rate</b>
Furniture and fixtures	25.88%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company assesses at each balance sheet date whether there is objective evidence that a asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Intangible assets:**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. The Company estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

Intangible assets acquired separately are measured on initial recognition at cost. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in statement of profit and loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

**Straight-line method**

<b>Asset class</b>	<b>Useful life</b>
Non-compete	3 years
Customer Relationship	11 years
Brand value	10 years
Internally generated software	6 years

**d. Financial instruments**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Non-derivative financial assets**

**i. Financial assets at amortised cost**

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee advances and eligible current and non-current assets.

The investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and book overdraft which are considered part of the Company's cash management system.

**ii. Financial assets at fair value through other comprehensive income (FVTOCI)**

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in other comprehensive income (OCI).

Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

**iii. Financial assets at fair value through profit and loss (FVTPL) -**

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc.

Financial assets included within the FVTPL category are measured at fair values at each reporting date with all changes recorded in the statement of profit and loss.

Financial assets are not reclassified subsequently unless if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. The Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Non-derivative financial liabilities**

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss.

The Company assesses that a compound financial instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met.

(a) The instrument includes no contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

(b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

(i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or (ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**Derecognition of financial instruments**

**Financial assets:**

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

**Financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.

**Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

**e. Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only legal or constructive obligation is to pay a fixed amount towards government administered scheme with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

The obligations of compensated absences are presented as current liabilities in the balance sheet of the Company as the Company does not have an unconditional right to defer this settlement for at least 12 months from reporting date.

**f. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company's recognises any impairment loss on the assets associated with that contract.

**g. Income taxes**

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

**a) Current income tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) 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 income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**h. Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i. Revenue recognition**

The Company derives revenue primarily from sale of software / hardware licenses and products, Information Technology Services and Solutions. The Company recognizes revenue when it transfers control over a product or a service to a customer.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates, credits, price concessions, discounts and other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

There is a significant financing component for certain contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

The method for recognizing revenues and costs depends on the nature of the services rendered.

**a) Software / hardware products and licenses**

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the entity determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (ie the entity is a principal) or to arrange for those goods or services to be provided by the other party (ie the entity is an agent). The entity determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. Company recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

**b) Time and materials and unit of work based contracts**

Revenue from time and material contracts and volume/unit based contracts is measured on output basis by units delivered, efforts expended, number of transactions processed etc., as applicable and is recognised as the related services are performed. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue

**c) Fixed-price contracts**

The Company applies the percentage of completion method in accounting for fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

For fixed price development contracts and related services, the performance obligation are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates. Estimates for the transaction price and total costs are continuously monitored over a term of contract and are recomputed in net profit or losses in the period when the estimate change or when the estimates are revised.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**d) Maintenance contracts**

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

**Contract assets and contract liabilities**

Contract asset represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities (Unearned revenues) represent billing in excess of revenue recognized.

**j. Dividend**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**k. Foreign currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

For the purposes of presenting the financial statements assets and liabilities of Company's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. GBP using exchange rates prevailing at the end of each reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

## SONATA EUROPE LIMITED

### Notes to the financial statements for the year ended March 31, 2026

#### I. Finance income and expense

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest rate method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or - the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### m. Impairment

**a) Financial assets :** In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognised as income / expense in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the statement of profit and loss in the same line item as allowance for expected credit loss.

#### **Credit impaired financial assets:**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganization;

Write off - the gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **b) Non-financial assets**

The Company assesses at each reporting date (or more frequently if events or circumstances indicate that it is necessary), whether there is any objective evidence that a non financial asset including goodwill or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the statement of profit or loss and reflected in an allowance account. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate (that reflects current market assessments of the time value of money and the risks specific to the asset). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the statement of profit and loss.

**n. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**o. Contingent liabilities**

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

**p. Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

**q. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**r. Common control business combinations**

The Company accounts for business combinations involving entities or businesses under common control using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately as common control transactions capital reserve.

**2.3 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

The MCA had issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025 vide notification dated May 07, 2025 and August 13, 2025 respectively amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2026:

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

Sonata Europe Limited  
Notes to the financial statements for the year ended March 31, 2026

**3.1 : Property, Plant and Equipment**

Amount in GBP

Particulars	Tangible Assets			Total Tangible Assets
	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	
<b>Cost</b>				
As at April 1, 2024	93,005	24,595	9,299	126,899
Additions	-	-	9,051	9,051
Disposal/Write off	-	-	-	-
Forex gain/Loss	-	-	-	-
<b>As at March 31, 2025</b>	<b>93,005</b>	<b>24,595</b>	<b>18,350</b>	<b>135,950</b>
As at April 1, 2025	93,005	24,595	18,350	135,950
Additions	-	-	9,292	9,292
Disposal/Write off	-	-	(452)	(452)
Forex gain/Loss	-	-	-	-
<b>As at March 31, 2026</b>	<b>93,005</b>	<b>24,595</b>	<b>27,190</b>	<b>144,790</b>
<b>Accumulated depreciation</b>				
As at April 1, 2024	93,005	24,595	1,771	119,371
Depreciation for the period	-	-	3,311	3,311
<b>As at March 31, 2025</b>	<b>93,005</b>	<b>24,595</b>	<b>5,082</b>	<b>122,682</b>
As at April 1, 2025	93,005	24,595	5,082	122,682
Depreciation for the period	-	-	7,281	7,281
<b>As at March 31, 2026</b>	<b>93,005</b>	<b>24,595</b>	<b>12,363</b>	<b>129,963</b>
<b>Net carrying value</b>				
As at March 31, 2026	-	-	14,827	14,827
As at March 31, 2025	-	-	13,268	13,268

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2026 and for the year ended March 31, 2025.

-No revaluation of tangible assets were carried out for the year ended March 31, 2026 and for the year ended March 31, 2025.

Sonata Europe Limited  
Notes to the financial statements for the year ended March 31, 2026

3.2 Goodwill

Amount in GBP

<b>As at April 1, 2024</b>	<b>205,013</b>
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	(11,499)
<b>As at March 31, 2025</b>	<b>193,514</b>
<b>As at April 1, 2025</b>	<b>193,514</b>
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	12,805
<b>As at March 31, 2026</b>	<b>206,319</b>
<b>Accumulated Impairment</b>	
<b>As at April 1, 2024</b>	-
Effect of foreign currency exchange differences	-
<b>As at March 31, 2025</b>	-
<b>As at April 1, 2025</b>	-
Effect of foreign currency exchange differences	-
<b>As at March 31, 2026</b>	-
<b>Net carrying value</b>	
<b>As at March 31, 2026</b>	<b>206,319</b>
<b>As at March 31, 2025</b>	<b>193,514</b>

Impairment

The recoverable amount of each CGU has been calculated based on its value-in-use, estimated as the net present value of future free cash flow forecasts for 5 years and then on perpetuity using assumptions which include annual revenue growth rate, earnings before interest and taxes, capital outflow and working capital requirement.

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows.

The future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate *	15%	18%
Terminal growth rate #	2%	2%
EBITDA margins (Average of next 5 years) ^	16%	9%

\* The discount rate is arrived after consulting the valuation experts.

# The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

^ The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and financial budgets approved by management.

As at March 31, 2026 and March 31, 2025 the estimated recoverable amount of each CGU exceeded carrying amount and accordingly, no impairment loss is recognised. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below carrying amount.

Sonata Europe Limited  
Notes to the financial statements for the year ended March 31, 2025

4 : Other intangible assets

Intangible assets

Particulars	Amount in GBP				
	Non Compete	Customer relationship	Brand Value	Internally generated software	Total Intangible Assets
<b>Cost</b>					
As at April 1, 2024	308,936	926,810	411,916	1,699,153	3,346,815
Additions	-	-	-	-	-
Translation adjustments	(17,322)	(51,966)	(23,096)	(95,271)	(187,655)
<b>As at March 31, 2025</b>	<b>291,614</b>	<b>874,844</b>	<b>388,820</b>	<b>1,603,882</b>	<b>3,159,160</b>
<b>As at April 1, 2025</b>					
As at April 1, 2025	291,614	874,844	388,820	1,603,882	3,159,160
Additions	-	-	-	-	-
Translation adjustments	19,304	57,913	25,739	106,174	209,130
<b>As at March 31, 2026</b>	<b>310,918</b>	<b>932,757</b>	<b>414,559</b>	<b>1,710,056</b>	<b>3,368,290</b>
<b>Accumulated amortization</b>					
As at April 1, 2024	308,936	337,256	164,882	1,133,554	1,944,628
Amortization	-	84,426	41,275	283,767	409,468
Translation adjustments	(17,322)	(22,699)	(11,099)	(76,302)	(127,422)
<b>As at March 31, 2025</b>	<b>291,614</b>	<b>398,983</b>	<b>195,058</b>	<b>1,341,019</b>	<b>2,226,674</b>
<b>As at April 1, 2025</b>					
As at April 1, 2025	291,614	398,983	195,058	1,341,019	2,226,674
Amortization	-	81,721	39,952	267,293	388,966
Translation adjustments	19,304	30,663	15,004	101,744	166,715
<b>As at March 31, 2026</b>	<b>310,918</b>	<b>511,367</b>	<b>250,014</b>	<b>1,710,056</b>	<b>2,782,355</b>
<b>Net carrying value</b>					
As at March 31, 2026	-	421,390	164,545	-	585,935
As at March 31, 2025	-	475,861	193,762	262,863	932,486

Sonata Europe Limited  
Notes to the financial statements for the year ended March 31, 2026

	Amount in GBP	
	As at March 31, 2026	As at March 31, 2025
<b>5 : Investments</b>		
<b>Non-current investments</b>		
<b>In subsidiary companies</b>		
<b>Investment in equity instruments (Non-traded, Unquoted)</b>		
Gapbuster Worldwide Pty Ltd (As at March 31, 2026 & As at March 31, 2025 336,000 shares)	2,038,618	2,038,618
Gapbuster Inc., (As at March 31, 2026 & As at March 31, 2025 1 share)	-	-
Sonata Software Japan KK (As at March 31, 2026 & As at March 31, 2025 60 shares)	-	-
<b>Total</b>	<b>2,038,618</b>	<b>2,038,618</b>
Aggregate amount of unquoted investments	2,038,618	2,038,618
Aggregate amount of impairment in value of investments	-	-
Investments carried at cost	2,038,618	2,038,618
<b>6 : Other financial assets (Carried at amortised, unless otherwise stated)</b>		
Unsecured, considered good		
Security deposits	39,780	39,780
<b>Total</b>	<b>39,780</b>	<b>39,780</b>
Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 30		
<b>7 : Trade receivables (Carried at amortised, unless otherwise stated)</b>		
Unsecured		
Considered good	3,952,823	3,050,481
Less: Allowance for credit losses	77,483	9,820
	<b>3,875,340</b>	<b>3,040,661</b>
Credit impaired	47,003	6,752
Less: Allowance for credit losses	47,003	6,752
	-	-
Unbilled	1,847,799	445,904
<b>Total</b>	<b>5,723,139</b>	<b>3,486,565</b>

For the amounts payable to related parties refer note 35.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 30

**Trade receivable ageing schedule**

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>								
Undisputed trade receivables - considered good	1,847,799	2,040,896	1,635,758	276,169	-	-	-	5,800,622
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	46,248	755	-	-	47,003
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(8,403)	(13,306)	(102,022)	(755)	-	-	(124,486)
<b>Total</b>	<b>1,847,799</b>	<b>2,032,493</b>	<b>1,622,452</b>	<b>220,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,723,139</b>

Sonata Europe Limited

Notes to the financial statements for the year ended March 31, 2026

Amount in GBP

As at  
March 31, 2026

As at  
March 31, 2025

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2025</b>								
Undisputed trade receivables - considered good	445,904	881,949	1,334,478	582,975	251,079	-	-	3,496,384
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	6,752	-	-	-	6,752
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(2,839)	(4,296)	(8,629)	(808)	-	-	(16,572)
<b>Total</b>	<b>445,904</b>	<b>879,110</b>	<b>1,330,182</b>	<b>581,098</b>	<b>250,271</b>	<b>-</b>	<b>-</b>	<b>3,486,564</b>

**8 : Cash and cash equivalents**

Balances with banks

In current accounts

1,035,788

940,097

**Total**

**1,035,788**

**940,097**

**9 : Other financial assets (Carried at amortised cost, unless otherwise stated)**

Unsecured, considered good

Reimbursement of expenses receivable from related parties (Refer note 35)

1,308,212

1,124,489

Compensation right asset (Refer note 30)

71,985

2,971

**Total**

**1,380,197**

**1,127,460**

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 30

**9.1 : Loans**

Inter-corporate deposits (Refer note 35)

-

140,824

**Total**

**-**

**140,824**

**10 : Other current assets**

Unsecured, considered good

Contract assets (net of allowance of credit losses) (Refer note 25)

629,033

1,572,895

Advance to suppliers

32,069

214,152

Prepaid expenses

5,836

48,823

Other recoverables

-

29,590

**Total**

**666,938**

**1,865,460**

**11 : Equity Share capital**

**Authorized**

Common Stock GBP 1 par value, 3,500,000 shares

(March 31, 2025: Common Stock GBP 1 par value, 3,500,000 shares)

**3,500,000**

**3,500,000**

**Issued, Subscribed and paid-up**

800 Ordinary shares of GBP 1 each

800

800

(March 31, 2025: 800 Ordinary shares of GBP 1 each)

**Total**

**800**

**800**

Sonata Europe Limited

Notes to the financial statements for the year ended March 31, 2026

	Amount in GBP	
	As at March 31, 2026	As at March 31, 2025

Refer notes (i) to (v) below

Notes:

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2026	
	No of shares	No of shares
Outstanding at the beginning of the year	800	800
Add: Share issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>800</b>	<b>800</b>

	As at March 31, 2025	
	No of shares	No of shares
Outstanding at the beginning of the year	800	800
Add: Share issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>800</b>	<b>800</b>

ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in GBP. 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. Refer note 31.

iii) Details of shares held by Holding Company/Ultimate Holding Company along with details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	No of shares	% of holding in the class
<b>As at March 31, 2026</b>		
Sonata Software Limited (India)	800	100%
<b>As at March 31, 2025</b>		
Sonata Software Limited (India)	800	100%

iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period end.

v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current period end.

Instrument entirely in the nature of equity shares

Preference share capital

2,459,560, 2% Redeemable convertible preference shares of GBP 1 each

Opening balance	2,459,560	2,459,560
Preference share capital issued during the period	-	-
Closing balance	<b>2,459,560</b>	<b>2,459,560</b>
<b>Total</b>	<b>2,460,360</b>	<b>2,460,360</b>

12 : Other equity

Capital redemption reserve

Opening balance	3,235,440	3,235,440
Additions during the year	-	-
Closing balance	<b>3,235,440</b>	<b>3,235,440</b>

The capital redemption reserve comprises the nominal value of own shares that have been acquired by the Company and cancelled.

Sonata Europe Limited

Notes to the financial statements for the year ended March 31, 2026

	Amount in GBP	
	As at March 31, 2026	As at March 31, 2025
<b>Retained earnings</b>		
Opening balance	(2,706,469)	1,246,161
Profit / (loss) for the year	3,438,482	(3,952,630)
Less: Dividends on 2% Redeemable convertible preference shares	(49,191)	-
Closing balance	<u>682,822</u>	<u>(2,706,469)</u>
Retained earning comprises of the amounts that can be distributed as dividends to its equity share holders.		
<b>Total other equity</b>	<u>3,918,262</u>	<u>528,971</u>
<b>13 : Trade payables</b>		
Total outstanding dues of creditors	<u>3,305,527</u>	<u>5,334,602</u>
<b>Total</b>	<u>3,305,527</u>	<u>5,334,602</u>
For the amounts payable to related parties refer note 35. Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 30		
<b>14 : Other financial liabilities</b>		
Dividend on preference shares	49,191	-
Employee benefits payable *	172,324	-
Reimbursable expenses payable to related party (Refer note 35)	926,377	1,492,279
<b>Total</b>	<u>1,147,892</u>	<u>1,492,279</u>
* For the amounts payable to related parties refer note 35. Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in note 30.		
<b>15 : Other current liabilities</b>		
Advances from customers	16,788	294,737
Statutory remittances	453,207	359,732
Contract liabilities (Refer note 25)	49,877	103,984
Others	-	7,194
<b>Total</b>	<u>519,872</u>	<u>765,647</u>
<b>16 : Provisions</b>		
Provision for compensated absences (Refer note 32)	<u>281,074</u>	<u>235,383</u>
<b>Total</b>	<u>281,074</u>	<u>235,383</u>
<b>17 : Current tax liabilities (net)</b>		
Provision for tax (net of Advance tax of GBP 236,937 (for March 31, 2025 GBP 643,778))	<u>95,537</u>	<u>467,467</u>
<b>Total</b>	<u>95,537</u>	<u>467,467</u>

SONATA EUROPE LIMITED

Notes to the financial statements for the year ended March 31, 2025

Amount in GBP

	For the year ended March 31, 2026	For the year ended March 31, 2025
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**18A. Income taxes**

The income tax asset is GBP 36,983 (net of provision for tax of GBP 27,669) as at March 31, 2026 and GBP 506,637 (net of provision for tax of GBP 982,636) as at March 31, 2025

**(a) Income tax expense in the statement of profit and loss consists of:**

**Current Tax:**

In respect of current year	128,644	-
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**Deferred Tax:**

In respect of current year (origination and reversal of timing difference)	-	318,989
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<b>Total Income tax expense recognised in the statement of profit and loss</b>	<b>128,644</b>	<b>318,989</b>
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**(b) Income tax recognised in other comprehensive income**

-	-
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The reconciliation between the provision of income tax of the Company and amounts computed by applying the United Kingdom statutory income tax rate to profit/(loss) before taxes is as follows:

Profit/ (loss) before tax	3,567,126	(3,633,641)
Enacted income tax rate in United Kingdom	19.00%	19.00%
Computed expected tax expense	677,754	(690,392)

**Tax effect of:**

Derecognition of deferred tax asset on loss		
Prior years	-	1,673,111
Current year	(668,408)	(690,392)
Prior year tax	128,644	-
Others	(9,346)	26,662
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>128,644</b>	<b>318,989</b>

The applicable tax rate for the year ended March 31, 2026 & March 31, 2025 is 19%

Deferred tax assets amounting to GBP 1,009,381 had not been recognised on accumulated business loss as at March 31, 2025 as there was no reasonable certainty that taxable profit will be available against which the unused tax losses can be utilised in foreseeable future. The Company has implemented changes to its business model in the current year, as a result of which the Company has earned taxable profit. The Company has off-set previous year carrying balance of unutilized losses against such taxable income, as permitted under the Tax laws.

**18B. Deferred tax assets (net)**

**Deferred tax assets / (liabilities) as at March 31, 2026 in relation to:**

Particulars	As at April 1, 2025	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2026
Carried forward of business loss	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Deferred Tax assets / (liabilities) as at March 31, 2025 in relation to:**

Particulars	As at April 1, 2024	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2025
Carried forward of business loss	345,651	345,651	-	-
Others	(26,662)	(26,662)	-	-
<b>Total</b>	<b>318,989</b>	<b>318,989</b>	<b>-</b>	<b>-</b>

## SONATA EUROPE LIMITED

Notes to the financial statements for the year ended March 31, 2026

	Amount in GBP	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>19 : Revenue from operations (Refer note 25 &amp; 35)</b>		
Revenue from services	16,265,244	13,000,035
Revenue from product and licenses	2,232,066	817,924
Other operating revenues	83,634	162,887
<b>Total</b>	<b>18,580,944</b>	<b>13,980,846</b>
<b>20 : Other income</b>		
Interest on financial assets carried at amortised cost (Refer note 35)	-	34,546
Net gain on foreign currency transaction and translation	962	-
Provision no longer required written back	-	24,014
<b>Total</b>	<b>962</b>	<b>58,560</b>
<b>21 : Purchase of stock-in-trade (traded goods)</b>		
Purchase of traded items	1,896,442	743,513
<b>Total</b>	<b>1,896,442</b>	<b>743,513</b>
<b>22 : Employee benefit expenses</b>		
Salaries, wages, bonus and allowances	2,944,062	2,594,908
Contribution to other funds	471,528	335,024
Staff welfare expenses	17,232	19,914
<b>Total</b>	<b>3,432,822</b>	<b>2,949,846</b>
<b>23 : Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3.1)	7,281	3,311
Amortisation of other intangible assets (Refer note 4)	388,966	409,468
<b>Total</b>	<b>396,247</b>	<b>412,779</b>
<b>24 : Other expenses</b>		
Power and fuel	7,355	3,807
Rent	30,334	28,085
Repairs and maintenance - Machinery	-	294
Insurance	13,599	12,921
Rates and taxes	17,330	17,216
Communication cost	12,686	7,554
Facility maintenance	23,452	15,437
Travelling and conveyance expenses	183,855	144,074
Recruitment	5,562	38,612
Software license fees	-	6,661
Sales commission	43,584	31,545
Software project fees (Refer note 35)	5,700,727	10,562,540
Professional and technical fees	893,011	896,769
Insourcing professional fees	978,490	1,051,498
Management fees (Refer note 35)	1,082,363	665,962
Net loss on foreign currency transaction and translation	-	1,083
Impairment loss/(gain) recognised on trade receivables and contract assets (Refer note 30 & 25)	181,746	-
Payments to auditors	39,250	11,334
Miscellaneous expenses	75,925	71,517
<b>Total</b>	<b>9,289,269</b>	<b>13,566,909</b>

**SONATA EUROPE LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**25 Revenue from operations**

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 and March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	UK	Other than UK	Total	UK	Other than UK	Total
Revenue from services (over the period)						
Software services						
Time and material	692,044	3,785,153	<b>4,477,197</b>	3,366,903	488,745	<b>3,855,648</b>
Fixed price	5,655,573	6,216,108	<b>11,871,681</b>	8,303,045	1,004,229	<b>9,307,274</b>
Revenue from sale of software product and licenses at a point in time	1,918,489	313,577	<b>2,232,066</b>	817,924	-	<b>817,924</b>
<b>Total</b>	<b>8,266,106</b>	<b>10,314,838</b>	<b>18,580,944</b>	<b>12,487,872</b>	<b>1,492,974</b>	<b>13,980,846</b>

**Trade receivables and Contract Balances**

Trade receivable and unbilled revenues are presented net of impairment in the balance sheet.

**Contract assets**

The below table discloses the movement in the balance of contract assets:

Particulars	Amount in GBP	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Balance as at beginning of the year</b>	<b>1,572,895</b>	<b>1,063,480</b>
Amount accrued during the year	2,709,831	2,392,465
Deduction on account of revenues billed during the year	(3,519,078)	(1,883,050)
Allowance for expected credit losses on contract assets	(134,615)	-
<b>Balance as at end of the year</b>	<b>629,033</b>	<b>1,572,895</b>

**Contract liabilities**

The below table discloses the movement in the balance of contract liabilities:

Particulars	Amount in GBP	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Balance as at beginning of the year</b>	<b>103,984</b>	<b>43,963</b>
Additional amounts billed but not recognized as revenue	455,650	1,284,770
Deduction on account of revenues recognized during the year	(509,757)	(1,224,749)
<b>Balance as at end of the year</b>	<b>49,877</b>	<b>103,984</b>

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2026, other than those meeting the exclusion criteria mentioned above, is GBP 11,123,721 (March 31, 2025: GBP 1,009,463). The Company expects to recognize the revenue within the next one year is GBP 4,328,468 (March 31, 2025: 1,009,463). This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

**SONATA EUROPE LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**26 Contingent liabilities**

The company does not have any pending litigations which would impact its financial position.

**27 Commitments**

There are no contracts remaining to be executed on capital account.

**28 Financial instruments**

The carrying value of financial instruments by categories as at March 31, 2026 are as follows:

Amount in GBP					
Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>					
Trade receivable	7	-	-	5,723,139	5,723,139
Cash and cash equivalents	8	-	-	1,035,788	1,035,788
Other financial assets	6 & 9	-	-	1,419,977	1,419,977
<b>Total</b>		-	-	<b>8,178,904</b>	<b>8,178,904</b>
<b>Financial liabilities</b>					
Trade payables	13	-	-	3,305,527	3,305,527
Other financial liabilities	14	-	-	1,147,892	1,147,892
<b>Total</b>		-	-	<b>4,453,419</b>	<b>4,453,419</b>

The carrying value of financial instruments by categories as at March 31, 2025 are as follows:

Amount in GBP					
Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>					
Trade receivable	7	-	-	3,486,565	3,486,565
Cash and cash equivalents	8	-	-	940,097	940,097
Other financial assets	6 & 9	-	-	1,167,240	1,167,240
Loans	9.1	-	-	140,824	140,824
<b>Total</b>		-	-	<b>5,734,726</b>	<b>5,734,726</b>
<b>Financial liabilities</b>					
Trade payables	13	-	-	5,334,602	5,334,602
Other financial liabilities	14	-	-	1,492,279	1,492,279
<b>Total</b>		-	-	<b>6,826,881</b>	<b>6,826,881</b>

The Management assessed that fair value of bank balances and trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**29 Fair value hierarchy**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**SONATA EUROPE LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**30 Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews the policies for managing each of these risks, which are summarized below:

**i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk at the reporting date is primarily from equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade and other receivables**

Management considers that the demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the Company to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2026 is considered adequate.

The following table gives details in respect of revenues generated from customers having more than 10% of total revenue (excluding Inter Company):

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
Revenue from 3 customers having more than 10% of total revenue (Previous year : 2 customers)	7,389,132	3,523,580

**Geographic concentration of credit risk**

Geographic concentration of trade receivables and allowance for credit loss is as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	UK	Other than UK	UK	Other than UK
Trade receivables (Billed)	3,070,308	929,518	2,775,602	281,631
Allowance for credit loss	119,086	5,400	15,794	778
% of credit loss to trade receivables	3.88%	0.58%	0.57%	0.28%

**Expected credit loss**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analyzed. There are no trade receivables or other financial assets which have a significant increase in credit risk.

**Movement in allowances for credit losses**

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	16,572	76,820
Allowance for expected credit loss (net)*	116,145	(26,985)
Bad debts written off during the year	(8,615)	(37,878)
Foreign exchange differences	384	4,615
<b>Balance at the end of the year</b>	<b>124,486</b>	<b>16,572</b>

\* The Company has adjusted compensation right asset amounting to GBP 69,014 against the allowance for expected credit loss. The Company has disclosed the remaining amount of GBP 47,131 as allowance for expected credit loss (As at March 31, 2025: The company has adjusted compensation right asset amounting to GBP is 2,971 against the allowance for expected credit loss) in note 24 (Refer note 2.2 (m) for the accounting policy on compensation right assets).

**Investments**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

**SONATA EUROPE LIMITED**
**Notes to the financial statements for the year ended March 31, 2026**
**ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the Company has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management.

The liquidity position of the Company is given below:

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
Cash and cash equivalents	1,035,788	940,097
Trade receivables	5,723,139	3,486,565
Other financial assets	1,380,197	1,127,460
Other current assets	666,938	1,865,460

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and March 31, 2024:

Particulars	Amount in GBP			
	As at March 31, 2026			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	3,305,527	-	-	3,305,527
Other financial liabilities	1,147,892	-	-	1,147,892

Particulars	Amount in GBP			
	As at March 31, 2025			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	5,334,602	-	-	5,334,602
Other financial liabilities	1,492,279	-	-	1,492,279

**iii) Market risk**
**Foreign currency exchange rate risk**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollar, Euro, Australian dollar and Swedish Krona). The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

**Exposure currency:**

As at March 31, 2026	Amount in GBP				
	EUR	USD	AUD	SEK	Total
<b>Assets</b>					
Trade receivables	1,120,662	920,428	9,532	-	2,050,622
Other assets	-	1,078,243	-	6,137	1,084,380
<b>Liabilities</b>					
Trade payables	4,742	34,955	-	-	39,697
<b>Net assets/liabilities</b>	<b>1,115,920</b>	<b>1,963,716</b>	<b>9,532</b>	<b>6,137</b>	<b>3,095,305</b>

As at March 31, 2025	Amount in GBP				
	EUR	USD	AUD	SEK	Total
<b>Assets</b>					
Trade receivables	959,045	985,587	71,713	3,034	2,019,379
Other assets	-	269,845	-	6,137	275,982
<b>Liabilities</b>					
Trade payables	36,562	-	-	-	36,562
<b>Net assets/liabilities</b>	<b>922,483</b>	<b>1,255,432</b>	<b>71,713</b>	<b>9,171</b>	<b>2,258,799</b>

A reasonably possible strengthening/ weakening by 1% of EUR, USD, AUD and SEK against the GBP as at March 31, 2026 and March 31, 2025 will affect the statement of profit and loss by the amounts shown below:

Currencies	Amount in GBP	
	March 31, 2026	March 31, 2025
EUR	11,159	9,225
USD	19,637	12,554
AUD	95	717
SEK	61	92

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments. The Company's investments are primarily short-term, which do not expose it to significant interest rate risk.

**SONATA EUROPE LIMITED**

**Notes to the financial statements for the year ended March 31, 2026**

**31 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of the following:

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
Total equity attributable to the equity share holders of the Company	6,378,622	2,989,331
As percentage of total capital	100%	100%
Total borrowings	-	-
<b>Total borrowings and lease liabilities</b>	<b>-</b>	<b>-</b>
As a percentage of total capital	0%	0%
<b>Total capital (borrowings and equity)</b>	<b>6,378,622</b>	<b>2,989,331</b>

The Company is predominantly equity financed which is evident from the capital structure table.

As at the balance sheet date, the Preference shareholder and the Company have entered into an arrangement specifying the intent to convert the preference shares into equity shares of the Company in the ratio of 1:1. Such shares shall rank pari passu in all respects with the remaining ordinary shares in the capital of the Company subject to necessary compliances with the laws and regulations.

**32 Employee benefit plans**

**i) Other employee benefits - Compensated absences**

**As per valuation**

The compensated absence obligations includes the Company's liability for earned leave and sick leave.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2026	March 31, 2025
Discount rate(s)	4.49%	4.34%
Expected rate(s) of salary increase	2.50%	2.50%
Withdrawal rate	Service Based: Upto 4 years: 25.00%; Thereafter: 10.00%	Service Based: Upto 4 years: 25.00%; Thereafter: 10.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	60 years	60 years
Leave availment (%)	0%	0%

The amount included in the balance sheet arising from the Company's obligation in respect of its compensated absences is as follows:

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
Current liability	281,074	235,383
Non current liability	-	-
<b>Present value of compensated absences</b>	<b>281,074</b>	<b>235,383</b>

Sensitivity for significant actuarial assumptions is computed to show the impact in defined benefit obligation by 100 basis points:

Particulars	Amount in GBP			
	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	(13,520)	14,981	(11,604)	12,852
Future salary growth (100 basis points movement)	16,555	(15,206)	14,170	(13,017)

**Expected Future Cashflows:**

Particulars	Amount in GBP	
	As at March 31, 2026	As at March 31, 2025
Year 1	48,169	46,002
Year 2	36,176	29,196
Year 3	25,116	24,175
Year 4	18,126	17,832
Year 5	14,996	14,283
Year 6 to 10	72,714	76,741
Above 10 years	77,341	69,158

**SONATA EUROPE LIMITED****Notes to the financial statements for the year ended March 31, 2026****33 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment i.e. IT Services. Customers are pre-dominantly situated in Europe i.e. only one geographical segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and one geographical segment, hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements. The non-current assets are substantially situated in United Kingdom.

**34 Earnings per share**

Reconciliation of number of equity shares used in the computation of basic earnings per share is set out below:

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2025
Profit/(Loss) after tax attributable to equity shareholders (a)	3,438,482	(3,952,630)
Weighted average number of equity shares outstanding during the year for basic EPS (b)	800	800
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	800	800
Basic earning per share (a/b) (GBP)	4,298.10	(4,940.79)
Diluted earning per share (a/c) (GBP)	4,298.10	(4,940.79)

**SONATA EUROPE LIMITED**

Notes to the financial statements for the year ended March 31, 2026

**35 Related party disclosure**

**i) Details of related parties :**

Description of relationship	Names of related parties
<b>(a) Holding company</b>	Sonata Software Limited
<b>(b) Wholly-owned subsidiary</b>	Gapbuster Worldwide Pty Ltd Gapbuster Inc. Sonata Software Japan KK Sonata Software Worldwide Malaysia SDN. BHD. Sonata Software (Shanghai) Co., Ltd
<b>(c) Fellow subsidiary</b>	Sonata Software Solutions Limited Sonata Information Technology Limited Sonata Software North America Inc. Sonata Software Gmbh Sonata Software Intercontinental Limited Sonata Australia Pty Ltd
<b>(d) Key management personnel (KMP)</b>	Uttam Hazari - Director Adam Kaye - Director Amit Kumar - Director (upto October 3, 2024)

**ii) Transactions with related parties :**

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
<b>Revenue from Services</b>		
Sonata Software North America Inc.	248,282	486,139
Gapbuster Worldwide Pty Ltd	64,358	101,536
Sonata Australia Pty Ltd	6,781	27,174
<b>Software Project fees</b>		
Sonata Software Limited	4,777,691	7,471,498
Sonata Software Solutions Limited	768,420	1,624,899
Gapbuster Worldwide Pty Ltd	-	1,469,073
Sonata Software Intercontinental Limited	154,616	-
<b>Interest income on Inter-corporate deposits</b>		
Sonata Software Gmbh	-	12,453
Gapbuster Worldwide Pty Ltd	-	21,933
<b>Inter-corporate loans given</b>		
Sonata Software Gmbh	-	227,952
<b>Inter-corporate loans recovered</b>		
Sonata Software Gmbh	-	315,457
Gapbuster Worldwide Pty Ltd	-	636,956
<b>Compensation of key management personnel of the Company</b>		
Short-term employee benefits <sup>1</sup>	392,536	353,667
<b>Management fees</b>		
Gapbuster Worldwide Pty Ltd	864,619	533,634
Sonata Software Worldwide Malaysia SDN. BHD.	128,205	85,970
Sonata Software (Shanghai) Co., Ltd	89,539	46,358
<b>Reimbursement of expenses paid</b>		
Sonata Software North America Inc.	-	2,573
Sonata Software Solutions Limited	-	3,050
Sonata Software Limited	1,101,533	1,785,232
Gapbuster Worldwide Pty Ltd	2,582,396	-
Gapbuster Inc.	39,001	-
Sonata Software Japan KK	10,530	-
Sonata Software Worldwide Malaysia SDN. BHD.	432,528	-
Sonata Software (Shanghai) Co., Ltd	183,403	-

## SONATA EUROPE LIMITED

Notes to the financial statements for the year ended March 31, 2026

Particulars	Amount in GBP	
	March 31, 2026	March 31, 2025
<b>Reimbursement of expenses Received</b>		
Sonata Software Intercontinental Limited	18,195	292,680
Sonata Software Solutions Limited	361,434	287,026
Sonata Software North America Inc.	-	65,672
Gapbuster Worldwide Pty Ltd	-	29,173
Sonata Software Japan KK	33,491	-
Sonata Software Limited	39,233	1,268,587
<b>Balances outstanding at the end of the year</b>		
<b>Trade Receivables</b>		
Sonata Software Gmbh	-	214,152
Sonata Software North America Inc.	41,043	110,591
Sonata Software Limited	5,636	-
Sonata Australia Pty Ltd	9,532	2,069
Gapbuster Worldwide Pty Ltd	10,726	52,990
<b>Trade Payables</b>		
Sonata Software Solutions Limited	251,405	593,661
Sonata Software Limited	1,639,860	4,082,215
Gapbuster Worldwide Pty Ltd	5,345	5,067
<b>Interest accrued on Inter-corporate deposits</b>		
Gapbuster Worldwide Pty Ltd	-	140,824
<b>Reimbursement of expenses receivable</b>		
Sonata Software Limited	193,800	556,801
Sonata Information Technology Limited	-	2,885
Sonata Software North America Inc.	-	8,335
Sonata Software Solutions Limited	703,880	322,172
Sonata Software Intercontinental Limited	374,454	350,565
Gapbuster Worldwide Pty Ltd	-	29,173
Sonata Software Japan KK	36,078	-
<b>Reimbursement of expenses payable</b>		
Sonata Information Technology Limited	72,084	72,084
Sonata Software Limited	2,285	73,888
Gapbuster Worldwide Pty Ltd	143,007	-
Sonata Software Japan KK	10,005	-
Sonata Software Worldwide Malaysia SDN. BHD.	463,559	-
Sonata Software (Shanghai) Co., Ltd	194,908	-
Gapbuster Inc.	40,529	-
<b>Payable to key management personnel of the Company</b>		
Short-term employee benefits <sup>1</sup>	19,661	-

<sup>1</sup> The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

**Terms and conditions with related party:**

1. The sales, purchases, loans given and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Inter corporate deposits availed and given are unsecured, repayable on demand in cash, at an interest rate ranges between 8.5% - 9.9%.
3. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of****Sonata Europe Limited****Vivek Gopalakrishnan**

Partner

Membership No. 522796

Place : Bengaluru

Date : May 05, 2026

**Adam Kaye**

Director

Place : London

Date : May 05, 2026

**Adam Kaye**

Director

Place : London

Date : May 05, 2026

SONATA AUSTRALIA PTY LTD.  
Balance Sheet

(Amounts in AUD)

	Note No.	As At March 31, 2026	As At March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	32,470	59,722
Other tax assets (net)	15.1	553,310	800,088
<b>Total non-current assets</b>		<b>585,780</b>	<b>859,810</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	4	4,510,586	5,531,391
Cash and cash equivalents	5	1,152,413	1,194,558
Other financial assets	6	194,440	274,344
Other current assets	7	6,970,390	2,856,761
<b>Total current assets</b>		<b>12,827,829</b>	<b>9,857,054</b>
<b>TOTAL</b>		<b>13,413,609</b>	<b>10,716,864</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	2	2
Other equity	9	7,513,155	5,297,065
<b>Total Equity</b>		<b>7,513,157</b>	<b>5,297,067</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	15.2	1,517,518	334,939
<b>Total non-current liabilities</b>		<b>1,517,518</b>	<b>334,939</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	10	1,411,050	1,877,333
Other financial liabilities	11	27,076	126,930
Other current liabilities	12	597,514	1,097,535
Provisions	13	440,673	302,041
Current tax liabilities (net)	14	1,906,621	1,681,019
<b>Total current liabilities</b>		<b>4,382,934</b>	<b>5,084,858</b>
<b>TOTAL</b>		<b>13,413,609</b>	<b>10,716,864</b>
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Australia Pty Ltd.

Vivek Gopalakrishnan  
Partner  
Membership No. 522796

Rajsekhar Datta Roy  
Director

Han Peng  
Director

Place : Bengaluru  
Date : May 05, 2026

Place : New Jersey  
Date : May 05, 2026

Place : Melbourne  
Date : May 05, 2026

**SONATA AUSTRALIA PTY LTD.**  
**Statement of Profit and Loss**

(Amounts in AUD)

	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>			
Revenue from operations	16.1	18,863,758	17,792,130
Other income	16.2	14,477	29,158
<b>Total revenue</b>		<b>18,878,235</b>	<b>17,821,288</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade (traded goods)	17	3,472,909	1,864,800
Employee benefits expense	18	5,929,232	6,629,910
Finance costs	19	-	1,136
Depreciation and amortization expense	20	27,252	107,804
Other expenses	21	5,514,680	7,468,389
<b>Total expenses</b>		<b>14,944,073</b>	<b>16,072,039</b>
<b>Profit before tax</b>		<b>3,934,162</b>	<b>1,749,249</b>
<b>Tax expense</b>			
Current tax	15.1	535,493	425,274
Deferred tax	15.2	1,182,579	334,939
<b>Net tax expense</b>		<b>1,718,072</b>	<b>760,213</b>
<b>Profit for the year</b>		<b>2,216,090</b>	<b>989,036</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>2,216,090</b>	<b>989,036</b>
Earnings per share (on AUD 1 per share)	31		
Basic (in AUD)		1,108,045	494,518
Diluted (in AUD)		1,108,045	494,518
<b>Summary of material accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Sonata Australia Pty Ltd.

**Vivek Gopalakrishnan**  
Partner  
Membership No. 522796

**Rajsekhar Datta Roy**  
Director

**Han Peng**  
Director

Place : Bengaluru  
Date : May 05, 2026

Place : New Jersey  
Date : May 05, 2026

Place : Melbourne  
Date : May 05, 2026

**SONATA AUSTRALIA PTY LTD.**  
**Statement of changes in equity**

**(a) Equity share capital**

(Amounts in AUD)

Particulars (Refer note 8)	As at	As at
	March 31, 2026	March 31, 2025
<b>Balance at the beginning of the year</b>	<b>2</b>	<b>2</b>
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>2</b>	<b>2</b>

**(b) Other equity**

(Amounts in AUD)

Particulars	Reserves and Surplus	
	Retained earnings	Total other equity
<b>Balance as at April 1, 2024</b>	<b>4,308,029</b>	<b>4,308,029</b>
Profit for the year	989,036	989,036
Other comprehensive income (net of tax)	-	-
<b>Total comprehensive income for the year</b>	<b>989,036</b>	<b>989,036</b>
<b>Balance as at March 31, 2025</b>	<b>5,297,065</b>	<b>5,297,065</b>
<b>Balance as at April 1, 2025</b>	<b>5,297,065</b>	<b>5,297,065</b>
Profit for the year	2,216,090	2,216,090
Other comprehensive income (net of tax)	-	-
<b>Total comprehensive income for the year</b>	<b>2,216,090</b>	<b>2,216,090</b>
<b>Balance as at March 31, 2026</b>	<b>7,513,155</b>	<b>7,513,155</b>

Refer note 9 for the nature and purpose of reserves

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of**

**Sonata Australia Pty Ltd.**

**Vivek Gopalakrishnan**

*Partner*

Membership No. 522796

**Rajsekhar Datta Roy**

*Director*

**Han Peng**

*Director*

Place : Bengaluru

Date : May 05, 2026

Place : New Jersey

Date : May 05, 2026

Place : Melbourne

Date : May 05, 2026

**SONATA AUSTRALIA PTY LTD.**  
**Statement of Cash flows**

	(Amounts in AUD)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>3,934,162</b>	<b>1,749,249</b>
Adjustments for :		
Depreciation and amortization expense	27,252	107,804
Interest income	(2,407)	(13,307)
Net (gain) on investments carried at fair value through profit and loss	-	(15,851)
Impairment loss/(gain) recognised on trade receivable	340,195	912,265
Finance cost	-	1,136
Unrealized foreign exchange (gain) / loss	66,401	319
<b>Operating Profit before working capital changes</b>	<b>4,365,603</b>	<b>2,741,615</b>
<i>Changes in operating assets and liabilities:</i>		
Decrease/(increase) in trade receivables	892,741	(874,332)
Decrease/(increase) in other current assets	(4,371,031)	(2,574,510)
Decrease/(increase) in other financial assets	33,595	(164,750)
(Decrease)/increase in trade payables	(467,780)	1,458,740
(Decrease)/increase in other current liabilities	(500,021)	366,373
(Decrease)/increase in other financial liabilities	(99,854)	32,729
(Decrease)/increase in short-term provisions	138,632	(85,578)
<b>Net cash flow from / (used in) operations</b>	<b>(8,115)</b>	<b>900,287</b>
Income taxes paid (net of refunds)	(63,114)	(568,168)
<b>Net cash from / (used) in operating activities</b>	<b>A (71,229)</b>	<b>332,119</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	-	(57,824)
Purchase of investments	-	(1,047,480)
Proceeds from sale of investment	-	1,063,493
Interest received	2,407	13,307
<b>Net cash from / (used in) from investing activities</b>	<b>B 2,407</b>	<b>(28,504)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liability	-	(87,087)
<b>Net cash used in financing activities</b>	<b>C -</b>	<b>(87,087)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(A+B+C) (68,822)</b>	216,528
Opening cash and cash equivalents	1,194,558	978,030
Exchange difference on translation of foreign currency cash and cash equivalents	26,677	-
<b>Closing cash and cash equivalents</b>	<b>1,152,413</b>	<b>1,194,558</b>

**SONATA AUSTRALIA PTY LTD.****Statement of Cash flows****(Amounts in AUD)**

	<b>For the year ended March 31, 2026</b>	<b>For the year ended March 31, 2025</b>
Cash and cash equivalents at the end of the year comprises : (refer note no. 5)		
Cash on hand	-	625
Balances with banks		
In Current accounts	1,152,413	1,193,933
<b>Total</b>	<b>1,152,413</b>	<b>1,194,558</b>

Refer note 33 for changes in lease liabilities arising from financing activities. There are no non-cash changes in inter corporate borrowings and working capital demand loan.

**Summary of material accounting policies****2****The accompanying notes form an integral part of the financial statements****As per our report of even date attached****For B S R & Co. LLP***Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
Sonata Australia Pty Ltd.****Vivek Gopalakrishnan***Partner*

Membership No. 522796

**Rajsekhar Datta Roy***Director***Han Peng***Director*

Place : Bengaluru

Date : May 05, 2026

Place : New Jersey

Date : May 05, 2026

Place : Melbourne

Date : May 05, 2026

## SONATA AUSTRALIA PTY LTD.

### Notes to the financial statements for the year ended March 31, 2026

#### 1 COMPANY OVERVIEW

Sonata Australia Pty Ltd. (the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customers in the Australia. The is company incorporated in Australia with its registered office at 97 Warry Street, Spring Hill, QLD 4000. Sonata Software Limited has 100% ownership of Sonta Australia Pty Ltd incorporated on 20th April 1998. The financial statements have been approved for issue by the Company's Board of Directors on May 05, 2026.

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

#### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

###### a. Statement of compliance

These financial statements of Sonata Australia Pty Ltd. comprise the balance sheet as at 31 March 2026; the statement of profit and loss including other comprehensive income, the statement of changes in equity, the statement of cash flow and a summary of material accounting policies and other explanatory information for the year ended 31 March 2026, and other additional financial disclosures.

The Financial statements for the current and previous financial years were prepared under Indian Accounting Standards (Ind AS) for the purposes of onward use by the Management of Ultimate Holding Company to prepare its Consolidated Financial statements. Accordingly, a separate transition into Ind AS reporting framework is not required. Further, these are not the statutory financial statements of the Company.

###### b. Basis of measurement

The financial statements have been prepared on a historical cost convention, on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The operating cycle is the time between deployment of resources and the realization in cash or cash equivalents of the consideration for such services rendered. The Company's normal operating cycle is twelve months.

###### Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability in its normal operating cycle;;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

###### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Australian Dollars, the national currency of Australia, which is the functional currency of the Company.

All amounts are rounded off to the nearest Australian Dollar except per share data and unless otherwise indicated. Transactions and balances with value below rounding off norm adopted by the Company have been reflected as '-' in relevant notes to the financial statements (as applicable).

###### d. Use of judgement, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

**i) Revenue recognition**

Refer note 2.2(i)(c)

**ii) Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions at the end of each reporting period. The policy for the same has been explained under note 2.2(l)

**iii) Income taxes and deferred taxes**

The primary tax jurisdiction for the Company is Australia. Judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.2 (g).

**2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

**b. Depreciation/ amortisation**

Depreciation is calculated on the cost of property, plant and equipment less their estimated residual values and is generally recognised in the statement of profit and loss.

Depreciation has been provided on buildings and plant and equipment on the straight line method and on furniture and fixtures and office equipments on the written down method. Depreciation on additions/(disposals) is provided from/ (upto) the date on which asset is ready for use/ (disposed off).

**Straight-line method**

Asset class	Useful life
Plant and machinery (Hardware)	3 years
Lease hold improvements	lease term

**Written down method**

Asset class	Depreciation rate
Furniture and fixtures	25.88%
Office equipments	45.07%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company assesses at each Balance Sheet date whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**c. Financial instruments**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payables are recognised net of directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Non-derivative financial assets**

**i. Financial assets at amortised cost**

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

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee advances and eligible current and non-current assets.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and book overdraft which are considered part of the company's cash management system.

**ii. Financial assets at fair value through other comprehensive income (FVTOCI)**

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Company has exercised the option to classify the equity investment as at FVTOCI, all fair value changes on the investment are recognised in other comprehensive income (OCI).

Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

**iii. Financial assets at fair value through profit and loss (FVTPL) -**

Financial assets which is not classified in any of the above category is measured at FVTPL. These include surplus funds invested in mutual funds etc.

Financial assets included within the FVTPL category are measured at fair values at each reporting date with all changes recorded in the statement of profit and loss.

Financial assets are not reclassified subsequently unless if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. The Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Non-derivative financial liabilities**

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**Derecognition of financial instruments**

**Financial assets:**

The Company derecognises a financial asset when:

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

**Financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.

**Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

**d. Leases**

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the a) contract involves the use of identified asset; b) Company has right to direct the use of the asset; c) the Company has substantially all the economic benefits from the use of asset through period of lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than AUD 10,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

**e. Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only legal or constructive obligation is to pay a fixed amount towards government administered scheme with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Superannuation Fund:** Certain employees of the Company are participants in a defined contribution plan of superannuation. The company has no further obligations to the plan beyond its monthly contributions.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations of compensated absences are presented as current liabilities in the balance sheet of the Company as the Company does not have an unconditional right to defer this settlement for at least 12 months from reporting date.

**f. Provisions**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the company's recognises any impairment loss on the assets associated with that contract.

**g. Income taxes**

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current tax** - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) 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 income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**h. Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i. Revenue recognition**

The Company derives revenue primarily from information technology services and solutions. The Company recognizes revenue when it transfers control over a product or a service to a customer.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Deferred contract costs are upfront costs incurred for the contract and are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates, credits, price concessions, discounts and pricing incentives and any other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered.

**a) Software / hardware products and licenses**

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the entity determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (ie the entity is a principal) or to arrange for those goods or services to be provided by the other party (ie the entity is an agent). The entity determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. Company recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

**b) Time and materials contracts**

Revenues from contracts priced on a time and material basis are recognised as the related services are performed and related costs are incurred. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

**c) Fixed-price contracts**

The Company applies the percentage of completion method in accounting for fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

For fixed price development contracts and related services, the performance obligation are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates. Estimates for the transaction price and total costs are continuously monitored over a term of contract and are recorded in net profit or losses in the period when the estimate changes or when the estimates are revised.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**Contract assets and contract liabilities**

Contract asset represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities (Unearned revenues) represent billing in excess of revenue recognized.

**d) Maintenance contracts**

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates, credits, price concessions, discounts and other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) / Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

**j. Foreign currency transactions and translations**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

For the purposes of presenting the financial statements assets and liabilities of Company's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. AUD using exchange rates prevailing at the end of each reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**k. Finance income and expense**

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest rate method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or - the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**l. Impairment**

**a) Financial assets :** In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and unbilled revenue. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company recognizes lifetime expected credit losses for all trade receivables and/or other contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL allowance (or reversal) is recognised as an expense (or income) in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the Statement of Profit and Loss in the same line item as allowance for expected credit loss.

**Credit impaired financial assets:**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;

Write off-The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in Statement of Profit and Loss and reflected in an allowance account. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**m. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**n. Contingent liabilities**

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

**o. Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

**p. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**2.3 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

The MCA had issued the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025 vide notification dated May 07, 2025 and August 13, 2025 respectively amending the following Ind AS, which are effective for annual periods beginning on or after April 01, 2026:

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

SONATA AUSTRALIA PTY LTD.

Notes to the financial statements for the year ended March 31, 2026

3 : Property, plant and equipment

(Amounts in AUD)

Tangible Assets

Particulars	Office Equipments	Furniture and Fixtures	Leasehold improvements	Plant and equipment	Total Tangible Assets
<b>Cost</b>					
As at April 1, 2024	19,235	36,189	-	107,655	163,079
Additions	-	-	33,111	24,713	57,824
Disposals/Write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>19,235</b>	<b>36,189</b>	<b>33,111</b>	<b>132,368</b>	<b>220,903</b>
As at April 1, 2025	19,235	36,189	33,111	132,368	220,903
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	(35,944)	(35,944)
<b>As at March 31, 2026</b>	<b>19,235</b>	<b>36,189</b>	<b>33,111</b>	<b>96,424</b>	<b>184,959</b>

Accumulated depreciation

As at April 1, 2024	19,235	36,189	-	83,904	139,328
Depreciation for the Year	-	-	4,292	17,561	21,853
Disposals/Write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>19,235</b>	<b>36,189</b>	<b>4,292</b>	<b>101,465</b>	<b>161,181</b>
As at April 1, 2025	19,235	36,189	4,292	101,465	161,181
Depreciation for the period	-	-	11,037	16,215	27,252
Disposals/Write off	-	-	-	(35,944)	(35,944)
<b>As at March 31, 2026</b>	<b>19,235</b>	<b>36,189</b>	<b>15,329</b>	<b>81,736</b>	<b>152,489</b>

<b>Net carrying value:</b>					
<b>As at March 31, 2026</b>	-	-	<b>17,782</b>	<b>14,688</b>	<b>32,470</b>
<b>As at March 31, 2025</b>	-	-	<b>28,819</b>	<b>30,903</b>	<b>59,722</b>

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2026 and for the year ended March 31, 2025.

-No revaluation of tangible assets were carried out for the year ended March 31, 2026 and for the year ended March 31, 2025.

## SONATA AUSTRALIA PTY LTD.

Notes to the financial statements for the year ended March 31, 2026

(Amounts in AUD)

	As At March 31, 2026	As At March 31, 2025
<b>4 : Trade receivables</b>		
Unsecured		
Billed		
Considered good	3,291,626	5,504,217
Less: Allowance for credit losses	-	(33,842)
	<u>3,291,626</u>	<u>5,470,375</u>
Credit impaired	1,097,348	1,097,348
Less : Allowance for credit losses	(1,097,348)	(1,097,348)
	<u>-</u>	<u>-</u>
Unbilled	1,218,960	61,016
<b>Total</b>	<u><b>4,510,586</b></u>	<u><b>5,531,391</b></u>

For the amounts receivable from Related parties refer note 32.

\*Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 27.

**Trade receivable ageing schedule**

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>								
Undisputed trade receivables - considered good	1,218,960	918,589	1,195,574	638,507	149,906	274,968	114,082	4,510,586
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	1,097,348	-	1,097,348
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	(1,097,348)	-	(1,097,348)
<b>Total</b>	<b>1,218,960</b>	<b>918,589</b>	<b>1,195,574</b>	<b>638,507</b>	<b>149,906</b>	<b>274,968</b>	<b>114,082</b>	<b>4,510,586</b>

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2025</b>								
Undisputed trade receivables - considered good	61,016	2,446,275	2,174,559	153,920	274,966	282,719	171,778	5,565,233
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	1,097,348	-	-	1,097,348
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(15,041)	(13,370)	(946)	(1,099,039)	(1,738)	(1,056)	(1,131,190)
<b>Total</b>	<b>61,016</b>	<b>2,431,234</b>	<b>2,161,189</b>	<b>152,974</b>	<b>273,275</b>	<b>280,981</b>	<b>170,722</b>	<b>5,531,391</b>

**5 : Cash and cash equivalents**

Cash on hand	-	625
Balances with banks		
In Current accounts	1,152,413	1,193,933
<b>Total</b>	<u><b>1,152,413</b></u>	<u><b>1,194,558</b></u>

**6 : Other financial assets**

Unsecured, considered good		
Re-imbursement of expenses receivable from related parties (Refer note 32)	168,648	248,552
Security deposits	25,792	25,792
<b>Total</b>	<u><b>194,440</b></u>	<u><b>274,344</b></u>

Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in Note 27.

**7 : Other current assets**

Unsecured, considered good		
Prepaid expenses	183,942	35,896
Contract assets (net-off allowance for credit losses) (Refer note 22)	6,685,591	2,612,013
Advances to employees	72,938	54,975
Other recoverables	27,919	153,877
<b>Total</b>	<u><b>6,970,390</b></u>	<u><b>2,856,761</b></u>

(Amounts in AUD)

	As At March 31, 2026	As At March 31, 2025
<b>8: Equity share capital</b>		
<b>Authorized</b>		
Common Stock 2 shares at AUD 1 par value	2	2
(As at March 31, 2025: Common Stock 2 shares at AUD 1 par value)		
<b>Issued, Subscribed and paid-up</b>		
2 shares at \$1 par value each fully paid-up	2	2
(As at March 31, 2025: 2 shares at AUD 1 par value each fully paid-up)		
<b>Total</b>	<b>2</b>	<b>2</b>

Refer note (i) to (iv) below

**Notes:**

i) Reconciliation of the number of common stock and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2026	
	No of shares	Amount in AUD
Outstanding at the beginning of the year	2	2
Add: Common stock issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>2</b>	<b>2</b>

	As at March 31, 2025	
	No of shares	Amount in AUD
Outstanding at the beginning of the year	2	2
Add: Shares issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>2</b>	<b>2</b>

ii) Details of rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in AUD. 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.

iii) Details of shares held by holding Company/ultimate holding Company along with details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2026	
	No of shares	% of holding in
Sonata Software Limited	2	100%

	As at March 31, 2025	
	No of shares	% of holding in
Sonata Software Limited	2	100%

iv) The Company has not issued any shares for consideration other than cash or bought back during the period of five years immediately preceding the reporting date. Further, there are no bonus shares issued during the period of 5 years immediately preceding the reporting date. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

**9: Other equity****Retained Earnings**

Opening balance	5,297,065	4,308,029
Profit for the year	2,216,090	989,036
<b>Closing balance</b>	<b>7,513,155</b>	<b>5,297,065</b>

Retained earning comprises of the amounts that can be distributed as dividends to its equity share holders.

## SONATA AUSTRALIA PTY LTD.

## Notes to the financial statements for the year ended March 31, 2026

(Amounts in AUD)

	As At March 31, 2026	As At March 31, 2025
<b>10 : Trade payables</b>		
Total outstanding dues of creditors	1,411,050	1,877,333
<b>Total</b>	<b>1,411,050</b>	<b>1,877,333</b>
For the amounts payable to Related parties refer note Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in Note 27.		
<b>11 : Other financial liabilities</b>		
Employee benefits payable	21,513	123,732
Re-imbursment of expenses payable to related parties (Refer note 32)	5,563	3,198
<b>Total</b>	<b>27,076</b>	<b>126,930</b>
<b>12 : Other current liabilities</b>		
Contract liabilities (Refer note 22)	533,279	802,323
Statutory remittances	64,163	260,963
Advances from customers	-	32,374
Others	72	1,875
<b>Total</b>	<b>597,514</b>	<b>1,097,535</b>
<b>13 : Provisions</b>		
Provision for employee benefits		
Provision for leave encashment (Refer note 29)	440,673	302,041
<b>Total</b>	<b>440,673</b>	<b>302,041</b>
<b>14 : Current tax liabilities (net)</b>		
Provision for tax (net of advance tax AUD 1,028,831 (for March 31, 2025 : AUD 656,568))	1,906,621	1,681,019
<b>Total</b>	<b>1,906,621</b>	<b>1,681,019</b>

**SONATA AUSTRALIA PTY LTD.**

**Notes to the financial statements for the year ended March 31, 2026**

(Amounts in AUD)

	For the year ended March 31, 2026	For the year ended March 31, 2025
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**15.1. Income taxes**

The income tax asset is AUD 553,310 (net of provision for tax of AUD 1,233,340) as at March 31, 2026 and AUD 800,088 (net of provision for tax of AUD 1,636,854) as at March 31, 2025

**Income tax expense in the statement of profit and loss consists of:**

**Current tax:**

In respect of current year	-	425,274
Excess provision for tax relating to prior years	535,493	

**Deferred tax:**

In respect of current year	1,182,579	334,939
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**Total Income tax expense recognised in the statement of profit and loss**

<b>1,718,072</b>	<b>760,213</b>
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The reconciliation between the provision of income tax of the Company and amounts computed by applying the Australia statutory income tax rate to profit before taxes is as follows:

Profit before tax	3,934,162	1,749,249
Enacted income tax rate in Australia	30.00%	30.00%
Computed expected tax expense	1,180,249	524,775
<b>Effect of:</b>		
Items that are non-deductible in determining taxable profit	2,331	1,283
Effect relating to prior years	535,493	234,155
<b>Total</b>	<b>1,718,072</b>	<b>760,213</b>

The applicable Australian corporate tax rate for the year ended March 31, 2026 & March 31, 2025 is 30%

**15.2. Deferred taxes**

**Deferred tax assets / (liabilities) as at March 31, 2026 in relation to:**

Particulars	As at April 1, 2025	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2026
Employee benefit expenses	123,940	(13,462)	-	137,402
Allowance for credit loss	339,357	10,152	-	329,205
Accrued income	(801,909)	1,646,677	-	(2,448,586)
Others	3,673	(25,716)	-	29,389
Brought forward loss		(435,073)	-	435,073
<b>Total</b>	<b>(334,939)</b>	<b>1,182,579</b>	<b>-</b>	<b>(1,517,518)</b>

**Deferred tax assets / (liabilities) as at March 31, 2025 in relation to:**

Particulars	As at April 1, 2024	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2025
Employee benefit expenses	-	(123,940)	-	123,940
Allowance for credit loss	-	(339,357)	-	339,357
Accrued income	-	801,909	-	(801,909)
Others	-	(3,673)	-	3,673
<b>Total</b>	<b>-</b>	<b>334,939</b>	<b>-</b>	<b>(334,939)</b>

## SONATA AUSTRALIA PTY LTD.

## Notes to the financial statements for the year ended March 31, 2026

	(Amounts in AUD)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>16.1. Revenue from operations (Refer note 22)</b>		
Revenue from software services	12,948,968	15,392,783
Revenue from software product and licenses	5,704,293	2,294,546
Other operating revenues	210,497	104,801
<b>Total</b>	<b>18,863,758</b>	<b>17,792,130</b>
<b>16.2. Other income</b>		
Interest income	2,407	13,307
Net gain on investments carried at fair value through profit or loss	-	15,851
Miscellaneous income	12,070	-
<b>Total</b>	<b>14,477</b>	<b>29,158</b>
<b>17. Purchase of stock-in-trade (traded goods)</b>		
Purchase of stock-in-trade (traded goods)	3,472,909	1,864,800
<b>Total</b>	<b>3,472,909</b>	<b>1,864,800</b>
<b>18. Employee benefits expense</b>		
Salaries, wages and bonus	5,335,835	5,966,543
Contributions to provident and other funds	520,249	613,497
Staff welfare expenses	73,148	49,870
<b>Total</b>	<b>5,929,232</b>	<b>6,629,910</b>
<b>19. Finance costs</b>		
Interest expense on financial liabilities measured at amortised cost:		
Lease liabilities (Refer note 33)	-	1,136
<b>Total</b>	<b>-</b>	<b>1,136</b>
<b>20. Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3)	27,252	21,853
Depreciation of right of use assets (Refer note 33)	-	85,951
<b>Total</b>	<b>27,252</b>	<b>107,804</b>
<b>21. Other expenses</b>		
Software Project fees (Refer note 32)	2,584,931	5,380,784
Insourcing professional fees	659,051	678,352
Rent (Refer note 33)	105,169	43,199
Repairs and maintenance	10,037	1,769
Insurance	28,972	35,253
Sales & marketing expenses (Refer note 32)	957,959	-
Rates and taxes	47,259	40,329
Communication cost	19,895	36,782
Facility maintenance	40,897	58,710
Travelling and conveyance expenses	236,529	76,977
Power and fuel	10,102	3,963
Professional and technical fees	77,277	77,137
Legal fees	96,397	-
Net loss on foreign currency transaction and translation	182,123	64,783
Impairment loss recognised on trade receivable (Refer note 22 & 27)	340,195	912,265
Recruitment	92,446	18,928
Software licence fee	80	10,432
Miscellaneous expenses	25,361	28,726
<b>Total</b>	<b>5,514,680</b>	<b>7,468,389</b>

**SONATA AUSTRALIA PTY LTD.**

**Notes to the financial statements for the year ended March 31, 2026**

**22 Revenue from operations**

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 and March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

(Amounts in AUD)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Australia	Other than Australia	Total	Australia	Other than Australia	Total
Revenue from software services (over the period)						
Time and material	2,096,977	132,524	2,229,501	4,007,009	736,565	4,743,574
Fixed price	10,929,964	-	10,929,964	10,645,409	108,601	10,754,010
Revenue from software product and licenses at a point in time	4,167,130	1,537,163	5,704,293	1,571,365	723,181	2,294,546
<b>Total</b>	<b>17,194,071</b>	<b>1,669,687</b>	<b>18,863,758</b>	<b>16,223,783</b>	<b>1,568,347</b>	<b>17,792,130</b>

**Trade receivables and Contract Balances**

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

**Contract assets**

The below table discloses the movement in the balance of contract assets:

(Amounts in AUD)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Balance as at beginning of the year</b>	<b>2,612,013</b>	<b>-</b>
Amount accrued during the year	6,655,755	8,627,549
Deduction on account of revenues billed during the year	(2,324,776)	(6,015,536)
Allowance for credit losses	(257,402)	-
<b>Balance as at end of the year</b>	<b>6,685,591</b>	<b>2,612,013</b>

**Contract liabilities**

The below table discloses the movement in the balance of contract liabilities:

(Amounts in AUD)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Balance as at beginning of the year</b>	<b>802,323</b>	<b>102,403</b>
Additional amounts billed but not recognized as revenue	2,309,589	2,140,332
Deduction on account of revenues recognised during the year	(2,578,633)	(1,440,412)
<b>Balance as at end of the year</b>	<b>533,279</b>	<b>802,323</b>

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2026, other than those meeting the exclusion criteria mentioned above, is AUD 5,717,702 (PY AUD 1,726,554). The Company expects to recognize the revenue within the next one year is AUD 4,043,021 (PY AUD 664,926). This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

### 23 Commitments

There is no estimated amount of contracts remaining to be executed on capital account.

### 24 Contingent liabilities

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

### 25 Financial instruments

The carrying value of financial instruments by categories as at March 31, 2026 are as follows:

(Amounts in AUD)					
Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivable	4	-	-	4,510,586	4,510,586
Cash and cash equivalents	5	-	-	1,152,413	1,152,413
Other financial assets	6	-	-	194,440	194,440
<b>Total</b>		-	-	<b>5,857,439</b>	<b>5,857,439</b>
<b>Financial liabilities</b>					
Trade payables	10	-	-	1,411,050	1,411,050
Other financial liabilities	11	-	-	27,076	27,076
<b>Total</b>		-	-	<b>1,438,126</b>	<b>1,438,126</b>

The carrying value of financial instruments by categories as at March 31, 2025 are as follows:

(Amounts in AUD)					
Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total Carrying value
<b>Financial assets</b>					
Trade receivable	4	-	-	5,531,391	5,531,391
Cash and cash equivalents	5	-	-	1,194,558	1,194,558
Other financial assets	6	-	-	274,344	274,344
<b>Total</b>		-	-	<b>7,000,293</b>	<b>7,000,293</b>
<b>Financial liabilities</b>					
Trade payables	10	-	-	1,877,333	1,877,333
Other financial liabilities	11	-	-	126,930	126,930
<b>Total</b>		-	-	<b>2,004,263</b>	<b>2,004,263</b>

The management assessed that fair value of bank balances and trade receivables, trade payables, other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The fair value of the quoted funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.

2. The Company does not have any derivative financial instruments.

### 26 Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company does not have any financial assets and liabilities to be measured at fair value as at March 31, 2026 and March 31, 2025.

### 27 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

**i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including financial assets and outstanding accounts receivable. The maximum exposure to credit risk at the reporting date is primarily from equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade and other receivables**

Management considers that the demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the company to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2026 is considered adequate.

The following table gives details in respect of revenues generated from customers having more than 10% of total revenue (excluding Inter Company):

Particulars	(Amounts in AUD)	
	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from three customer having more than 10% of total revenue (PY : two customers)	12,633,816	7,846,489

**Geographic concentration of credit risk**

Geographic concentration of trade receivables and allowance for credit loss is as follows:

Particulars	As at		As at	
	March 31, 2026		March 31, 2025	
	Australia	Outside Australia	Australia	Outside Australia
Trade receivables (Billed)	4,383,361	5,613	6,516,868	84,697
Allowance for credit loss	1,097,348	-	1,131,190	-
% of credit loss to trade receivables	25%	0%	17%	0%

**Expected credit loss**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

**Movement in allowances for credit losses**

Particulars	(Amounts in AUD)	
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1,131,191	251,072
Allowance for expected credit loss (net)*	82,793	912,265
Bad debts written off during the year	(123,337)	(29,374)
Foreign exchange differences	6,702	(2,773)
<b>Balance at the end of the year</b>	<b>1,097,348</b>	<b>1,131,191</b>

\* Allowance for expected credit loss is excluding allowance on contract assets of AUD 257,402. (Previous year : Nil)

**Investments and bank balances**

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

**ii) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the company has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The liquidity position of the Company is given below:

Particulars	(Amounts in AUD)	
	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	1,152,413	1,194,558
Trade receivables	4,510,586	5,531,391
Other financial assets	194,440	274,344
Other current assets	6,970,390	2,856,761

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2026 and March 31, 2025:

Particulars	(Amounts in AUD)			
	As at March 31, 2026			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	1,411,050	-	-	1,411,050
Other financial liabilities	27,076	-	-	27,076

Particulars	(Amounts in AUD)			
	As at March 31, 2025			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	1,877,333	-	-	1,877,333
Other financial liabilities	126,930	-	-	126,930

### iii) Market risk

#### Foreign currency exchange rate risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollar, Indian rupees, British pounds sterling and Malaysian Ringgit). The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

#### Exposure currency:

As at March 31, 2026	(Amounts in AUD)			
	USD	INR	GBP	MYR
<b>Assets</b>				
Trade receivables	656,938	-	-	-
<b>Liabilities</b>				
Trade payables	-	34,429	18,327	52,810
Other liabilities	-	1,361	-	-
<b>Net assets/(liabilities)</b>	<b>656,938</b>	<b>(35,790)</b>	<b>(18,327)</b>	<b>(52,810)</b>

As at March 31, 2025	(Amounts in AUD)			
	USD	INR	GBP	MYR
<b>Assets</b>				
Trade receivables	2,607,003	-	-	-
<b>Liabilities</b>				
Trade payables	4,313	1,352,487	4,189	9,687
<b>Net assets/(liabilities)</b>	<b>2,602,690</b>	<b>(1,352,487)</b>	<b>(4,189)</b>	<b>(9,687)</b>

A reasonably possible strengthening or weakening by 1% of respective currency against the AUD as at March 31, 2026 and March 31, 2025 will affect the statement of profit and loss by the amounts shown below:

Currencies	(Amounts in AUD)	
	March 31, 2026	March 31, 2025
USD	6,569	26,027
INR	(358)	(13,525)
GBP	(183)	(42)
MYR	(528)	(97)

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments. The Company's investments are primarily short-term, which do not expose it to significant interest rate risk.

## 28 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of the following:

Particulars	(Amounts in AUD)	
	March 31, 2026	March 31, 2025
Total equity attributable to the equity share holders of the Company	7,513,157	5,297,067
As percentage of total capital	100%	100%
Total borrowings	-	-
<b>Total borrowings and lease liabilities</b>	<b>-</b>	<b>-</b>
As a percentage of total capital	0%	0%
<b>Total capital (borrowings and equity)</b>	<b>7,513,157</b>	<b>5,297,067</b>

The Company is predominantly equity financed which is evident from the capital structure table.

## 29 Employee benefit plans

### Other employee benefits - leave encashment

#### As per valuation

The leave encashment obligations includes the Company's liability for earned leave, personal leave and long service leave.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2026	March 31, 2025
Discount rate(s)	4.72%	3.88%
Expected rate(s) of salary increase	2.00%	2.00%
Withdrawal rate	Service Based:Upto 4 years: 25.00%;Thereafter: 10.00%	Service Based:Upto 4 years: 25.00%;Thereafter: 10.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	60 years	60 years
Leave availment (%)	0%-5%	0%-5%

The amount included in the balance sheet arising from the Company's obligation in respect of its leave encashment is as follows:

Particulars	March 31, 2026	March 31, 2025
Current liability	440,673	302,041
Non current liability	-	-
<b>Present value of leave encashment</b>	<b>440,673</b>	<b>302,041</b>

Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 100 basis points:

Particulars	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	421,988	461,517	289,627	315,874
Future salary growth (100 basis points movement)	464,117	419,300	317,536	287,875

### Expected Future Cashflows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Year 1	96,167	75,365
Year 2	69,014	54,224
Year 3	61,890	32,983
Year 4	33,900	22,969
Year 5	20,626	15,799
Year 6 to 10	88,058	68,100
Above 10 years	110,006	68,323

## 30 Segment reporting

The Company is engaged in the business of software/hardware products and licenses including related services in Australia which constitutes a single business segment. The Company's operations outside Australia did not exceed the quantitative threshold for disclosure envisaged in Ind AS 108.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in Ind AS 108 are not applicable to the Company. The non-current assets are substantially situated in Australia.

## 31 Earnings per share

Reconciliation of number of equity shares used in the computation of basic earnings per share is set out below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit after tax attributable to equity shareholders (a)	2,216,090	989,036
Weighted average number of equity shares outstanding during the year for basic EPS (b)	2	2
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	2	2
Basic earning per share (a/b) (AUD)	1,108,045	494,518
Diluted earning per share (a/c) (AUD)	1,108,045	494,518

**SONATA AUSTRALIA PTY LTD.**

Notes to the financial statements for the year ended March 31, 2026

**32 Related party disclosure**

**i) Details of related parties :**

**Description of relationship**

**Names of related parties**

**(a) Holding company**

Sonata Software Limited

**(b) Fellow subsidiaries**

Sonata Software Solutions Limited  
 Gapbuster Worldwide Pty Ltd  
 Sonata Software Worldwide Malaysia Sdn. Bhd.  
 Sonata Software Malaysia SDN. BHD., Malaysia  
 Sonata Europe Limited

**(c) Key management personnel (KMP)**

Mr. Rajasekhar Datta Roy, Director  
 Mr. Biju John, Director  
 Mr. Han Peng, Director

**ii) Transactions with related parties :**

(Amount in AUD)

<b>Particulars</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Revenue from Services</b>		
Sonata Software Limited	85,417	238,730
<b>Software Project fees</b>		
Sonata Software Limited	1,811,978	4,219,431
Sonata Europe Limited	14,138	53,411
Sonata Software Malaysia SDN. BHD., Malaysia	389,200	95,828
Sonata Software Solutions Limited	369,615	1,012,114
<b>Sales &amp; marketing expenses</b>		
Sonata Software Limited	957,959	-
<b>Reimbursement of expenses paid</b>		
Gapbuster Worldwide Pty Ltd	47,234	610,093
Sonata Software Worldwide Malaysia Sdn. Bhd.	-	3,120
Sonata Software Limited	61,112	2,908
<b>Reimbursement of expenses Received</b>		
Gapbuster Worldwide Pty Ltd	1,213,647	144,809
Sonata Software Limited	-	174,075
<b>Balances outstanding at the end of the year</b>		
<b>Trade Receivables</b>		
Sonata Software Limited	1,062,806	926,218
<b>Trade Payables</b>		
Sonata Software Solutions Limited	34,429	319,044
Sonata Software Limited	-	1,033,444
Sonata Europe Limited	18,327	4,189
Sonata Software Malaysia SDN. BHD., Malaysia	52,810	9,687
<b>Reimbursement of expenses payable</b>		
Sonata Software Limited	1,361	-
Gapbuster Worldwide Pty Ltd	4,202	3,198
<b>Reimbursement of expenses receivable</b>		
Sonata Software Limited	168,648	248,552

**Terms and conditions with related party:**

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.

**SONATA AUSTRALIA PTY LTD.****Notes to the financial statements for the year ended March 31, 2026****33 : Leases**

The Company leases mainly comprise of buildings. The Company leases buildings for operational purposes.

Following are the changes in the carrying value of right of use assets:

(Amounts in AUD)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	-
Additions during the year	-	85,951
Deletions during the year	-	-
Depreciation for the year	-	(85,951)
<b>Balance at the end of the year</b>	-	-

Incremental borrowing rate used for discounting of lease liabilities is 4.31% based on the lease term.

The following is the movement in lease liabilities:

(Amounts in AUD)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Non-cash changes</b>		
Additions during the year	-	85,951
Finance cost accrued during the year	-	1,136
Deletions during the year	-	-
<b>Cash changes</b>		
Payment of lease liabilities	-	(87,087)
<b>Balance at the end of the year</b>	-	-

The following is the break-up of lease liabilities based on their maturities:

(Amounts in AUD)

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	-	-
Non-current lease liabilities	-	-
<b>Total</b>	-	-

**Contractual maturities of lease liabilities**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Amounts in AUD)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-

The Company recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

(Amounts in AUD)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Finance cost on lease liabilities during the year (Refer note 19)	-	1,136
Depreciation on ROU assets (Refer note 20)	-	85,951
Rent expense pertaining to short-term lease (Refer note 21)*	105,169	43,199
<b>Total</b>	<b>105,169</b>	<b>130,286</b>

\* Pertains to rent on building and equipments does not qualify for lease recognition under Ind AS 116.

**The accompanying notes form an integral part of the financial statements****As per our report of even date attached**

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of**

**Sonata Australia Pty Ltd.**

**Vivek Gopalakrishnan**

*Partner*

Membership No. 522796

**Rajsekhar Datta Roy**

*Director*

**Han Peng**

*Director*

Place : Bengaluru

Date : May 05, 2026

Place : New Jersey

Date : May 05, 2026

Place : Melbourne

Date : May 05, 2026

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**

**Balance Sheet**

**In Rupees**

	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	4,588,692	8,356,100
Right-of-use assets		-	17,085,702
Deferred tax assets (net)	4	-	1,471,567
Income tax assets (net)		168,565	9,077,042
Other non-current assets	5	-	6,488,254
<b>Total non-current assets</b>		<b>4,757,257</b>	<b>42,478,665</b>
<b>Current assets</b>			
Investments	6	18,120,852	17,001,669
Trade receivables	7	28,472,416	39,377
Cash and cash equivalents	8	7,683,652	12,093,169
Other financial assets	9	937,841	-
Other current assets	10	48,504,393	52,764,637
<b>Total current assets</b>		<b>103,719,154</b>	<b>81,898,852</b>
<b>Total assets</b>		<b>108,476,411</b>	<b>124,377,517</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	99,900	99,900
Other equity	12	75,893,231	83,226,692
<b>Total Equity</b>		<b>75,993,131</b>	<b>83,326,592</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liability (net)	13	100,124	-
<b>Total non-current liabilities</b>		<b>100,124</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	14	3,770,393	3,500,404
Other financial liabilities	15	-	19,886,976
Other current liabilities	16	263,635	3,291,338
Provisions		-	-
Current tax liabilities (net)	17	28,349,128	14,372,207
<b>Total current liabilities</b>		<b>32,383,156</b>	<b>41,050,925</b>
<b>Total equity and liabilities</b>		<b>108,476,411</b>	<b>124,377,517</b>

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Statement of Profit and Loss**

		<b>In Rupees</b>				
		<b>For the quarter ended Mar 31,2026</b>	<b>For the quarter ended Dec 31,2025</b>	<b>For the quarter ended Mar 31,2025</b>	<b>For the year ended Mar 31,2026</b>	<b>For the year ended Mar 31,2025</b>
	<b>Note No.</b>					
<b>REVENUE</b>						
Revenue from operations	<b>18</b>	18,271,399	13,753,703	27,353,880	62,136,797	470,604,756
Other income	<b>19</b>	221,005	362,778	546,304	1,708,165	3,223,008
<b>Total income</b>		<b>18,492,404</b>	<b>14,116,482</b>	<b>27,900,185</b>	<b>63,844,962</b>	<b>473,827,764</b>
<b>EXPENSES</b>						
Purchases of stock-in-trade (traded goods)		-	-	2,356,689	-	2,356,689
Employee benefits expense	<b>20</b>	67,030	63,175	1,987,812	892,708	315,248,593
Finance costs	<b>21</b>	-	110,062	584,628	812,393	3,181,562
Depreciation and amortization expense	<b>3</b>	632,958	6,521,671	6,881,257	20,612,179	28,378,518
Other expenses	<b>22</b>	11,095,412	4,425,276	6,967,097	26,336,654	48,059,975
<b>Total expenses</b>		<b>11,795,400</b>	<b>11,120,184</b>	<b>18,777,483</b>	<b>48,653,934</b>	<b>397,225,337</b>
<b>Profit before tax</b>		<b>6,697,004</b>	<b>2,996,298</b>	<b>9,122,702</b>	<b>15,191,028</b>	<b>76,602,427</b>
<b>Tax expense</b>						
Current tax expense		19,055,535	461,739	16,691,224	20,952,799	34,072,207
Deferred tax		1,070,277	292,899	148,982	1,571,690	3,080,363
<b>Net tax expense</b>		<b>20,125,812</b>	<b>754,638</b>	<b>16,840,206</b>	<b>22,524,489</b>	<b>37,152,570</b>
<b>Profit for the year</b>		<b>(13,428,808)</b>	<b>2,241,660</b>	<b>(7,717,504)</b>	<b>(7,333,461)</b>	<b>39,449,857</b>
<b>Other comprehensive income</b>						
1 Items that will not be reclassified to profit/(loss)						
(a) Remeasurement of the defined benefit plans		-	-	-	-	959,772
(b) Deferred tax on Gratuity - OCI		-	-	-	-	(241,555)
		-	-	-	-	<b>718,217</b>
2 Items that will be reclassified to profit/(loss)						
(a) Fair value changes on derivatives designated as cash flow hedge, net		-	-	-	-	(270,585)
(b) Deferred tax on forward covers		-	-	-	-	68,101
<b>Total</b>		-	-	-	-	<b>(202,484)</b>
<b>Total</b>		-	-	-	-	<b>515,733</b>
<b>Total comprehensive income</b>		<b>(13,428,808)</b>	<b>2,241,660</b>	<b>(7,717,504)</b>	<b>(7,333,461)</b>	<b>39,965,590</b>

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Cash Flow Statement**

-

**In Rupees**

	<b>For the quarter ended Mar, 2026</b>	<b>For the quarter ended Dec, 2025</b>	<b>For the year ended Mar, 2026</b>	<b>For the year ended Mar, 2025</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Profit before tax</b>	<b>6,697,004</b>	<b>2,996,298</b>	<b>15,191,028</b>	<b>76,602,427</b>
Adjustments for :				
Depreciation and amortization expense	632,958	6,521,671	20,612,179	28,378,518
Assets written off	-	-	-	-
Excess of carrying costs over fair value of current investments	-221,005	-264,372	-1,119,183	-680,413
Profit on sale of investments	-	-	-	-2,343,062
Notional interest on discounting of lease deposits	-	-98,406	-515,498	-199,533
Interest cost on Lease rental	-	110,062	812,393	3,156,732
Net (gain) / loss on sale of fixed assets / scrapped	168,634	-	168,634	-
Unrealized foreign exchange (gain) / loss (net)	-478,151	-70,788	-665,169	-4,964,555
<b>Operating profit before working capital changes</b>	<b>6,799,440</b>	<b>9,194,465</b>	<b>34,484,384</b>	<b>99,950,114</b>
Adjustments for :				
Decrease/(increase) in trade receivables	-18,645,436	-9,278,041	-27,767,870	24,783,088
Decrease/(increase) in other current assets	7,118,656	7,871,886	11,260,244	-7,786,184
(Decrease)/increase in other non-current assets	-6,996,250	7,000,000	3,752	-199,537
(Decrease)/increase in other financial assets	-937,841	-	-937,841	921,335
(Decrease)/increase in trade payables	1,307,136	172,271	269,990	-2,668,435
(Decrease)/increase in other current liabilities	-513,057	-343,246	-3,027,703	-10,688,657
(Decrease)/increase in provisions	-	-	-	-22,417,362
<b>Cash generated from operations:</b>	<b>-11,867,352</b>	<b>14,617,334</b>	<b>14,284,956</b>	<b>81,894,362</b>
Direct taxes/advance tax (paid)/refund (net)	-	-	1,932,599	-17,109,703
<b>Net cash flow from / (used in) operating activities</b>	<b>(A) -11,867,352</b>	<b>14,617,334</b>	<b>16,217,555</b>	<b>64,784,659</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	72,297	-	72,297	-141,626
Proceeds from sale of fixed assets	-	-	-	-
Purchase of investments	-	-	-	-
Investment in Mutual funds	-	-	-	-
Proceeds from Sale of /(Purchase from) investments	-	-	-	-3,865,101
<b>Net cash flow from / (used in) investing activities</b>	<b>(B) 72,297</b>	<b>-</b>	<b>72,297</b>	<b>-4,006,728</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	-	-	-	-50,000,000
Lease Liability paid	-	-6,899,791	-20,699,369	-25,772,745
<b>Net cash flow from / (used in) financing activities</b>	<b>(C) -</b>	<b>-6,899,791</b>	<b>-20,699,369</b>	<b>-75,772,745</b>
<b>Net increase/(decrease) in Cash and cash equivalents</b>	<b>(A+B+C) -11,795,056</b>	<b>7,717,543</b>	<b>-4,409,517</b>	<b>-14,994,814</b>
Opening Cash and cash equivalents	19,478,708	11,761,165	12,093,169	27,087,983
<b>Closing Cash and cash equivalents</b>	<b>7,683,652</b>	<b>19,478,708</b>	<b>7,683,652</b>	<b>12,093,169</b>
Cash and cash equivalents at the end of the period comprises:				
Cheques, drafts on hand				382
Balances with banks				
In Current accounts	7,683,652	19,478,708	7,683,652	12,092,787
<b>Total</b>	<b>7,683,652</b>	<b>19,478,708</b>	<b>7,683,652</b>	<b>12,093,169</b>

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**3 - Property, Plant and Equipment**

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Particulars	Tangible Assets			Intangible Assets	Total
	Plant and equipments	Office equipments	Furniture and fixtures	Softwares	
<b>Cost</b>					
<b>As at April 1, 2024</b>	41,941,031	4,621,760	1,053,528	4,404,476	<b>52,020,795</b>
Additions	49,000	198,656	-	-	<b>247,656</b>
Disposals	(1,475,351)	(80,000)	-	-	<b>(1,555,351)</b>
Asset written off/written back	-	-	-	-	-
<b>As at Mar'31, 2025</b>	<b>40,514,680</b>	<b>4,740,416</b>	<b>1,053,528</b>	<b>4,404,476</b>	<b>50,713,101</b>
<b>As at April 1, 2025</b>	<b>40,514,680</b>	<b>4,740,417</b>	<b>1,053,528</b>	<b>4,404,476</b>	<b>50,713,101</b>
Additions	-	-	-	-	-
Deletions	-	(901,582)	(630,668)	-	<b>(1,532,250)</b>
Asset written off/written back	-	-	-	-	-
<b>As at Mar'31, 2026</b>	<b>40,514,680</b>	<b>3,838,835</b>	<b>422,860</b>	<b>4,404,476</b>	<b>49,180,851</b>
<b>Accumulated Depreciation</b>					
<b>As at April 1, 2024</b>	30,110,759	3,276,149	445,395	4,376,435	<b>38,208,738</b>
Depreciation for the period	5,123,802	346,183	100,004	27,594	<b>5,597,583</b>
Disposals	-	-	-	-	-
Assets Written off	(1,373,320)	(76,000)	-	-	<b>(1,449,320)</b>
<b>As at Mar'31, 2025</b>	<b>33,861,241</b>	<b>3,546,332</b>	<b>545,399</b>	<b>27,594</b>	<b>4,148,264</b>
<b>As at April 1, 2025</b>	<b>33,861,241</b>	<b>3,546,332</b>	<b>545,399</b>	<b>4,404,029</b>	<b>42,357,002</b>
Depreciation charge during the year	3,118,248	313,792	93,990	447	<b>3,526,477</b>
Depreciation on disposals / write off	-	(856,503)	(434,816)	-	<b>(1,291,320)</b>
<b>As at Mar'31, 2026</b>	<b>36,979,489</b>	<b>3,003,621</b>	<b>204,573</b>	<b>4,404,476</b>	<b>44,592,159</b>
<b>Net carrying value</b>					
<b>As at Mar'31,2025</b>	<b>6,653,439</b>	<b>1,194,084</b>	<b>508,129</b>	<b>447</b>	<b>8,356,100</b>
<b>As at Mar'31, 2026</b>	<b>3,535,191</b>	<b>835,214</b>	<b>218,287</b>	<b>-</b>	<b>4,588,692</b>

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Notes forming part of financial statements**

	<b>In Rupees</b>	
	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
<b>4. Deferred tax assets (net)</b>		
Deferred tax assets (net)	-	1,471,567
<b>Total</b>	<b>-</b>	<b>1,471,567</b>
<b>5. Other non-current assets</b>		
Unsecured, considered good		
Security deposits	-	6,484,504
Other deposits	-	3,750
<b>Total</b>	<b>-</b>	<b>6,488,254</b>
<b>6. Investments</b>		
<b>Non-trade (Quoted)</b>		
<b>Investments in mutual funds (Unquoted) - At lower of cost and fair value, unless otherwise stated</b>		
Investment in mutual funds	18,120,852	17,001,669
<b>Total</b>	<b>18,120,852</b>	<b>17,001,669</b>
<b>7. Trade receivables</b>		
Unsecured		
Considered good	28,472,416	39,377
Considered doubtful	-	-
	28,472,416	39,377
Less : Allowances for credit losses	-	-
<b>Total</b>	<b>28,472,416</b>	<b>39,377</b>
<b>8. Cash and cash equivalents</b>		
Cash on hand	-	382
Balances with banks		
In current accounts	7,683,652	12,092,787
<b>Total</b>	<b>7,683,652</b>	<b>12,093,169</b>
<b>9. Other financial assets</b>		
Loans and advances to related parties - Advances recoverable	937,841	-
<b>Total</b>	<b>937,841</b>	<b>-</b>
<b>10. Other current assets</b>		
Prepaid expenses	237,403	1,314,876
Advance to Vendor	-	37,889
GST credit receivable	40,834,313	49,304,407
Other recoverables	432,677	2,107,465
Security deposits	7,000,000	
<b>Total</b>	<b>48,504,393</b>	<b>52,764,637</b>
<b>11. Equity share capital</b>		
<b>Authorized</b>		
5000 equity shares of ₹ 100/- each	<b>500,000</b>	<b>500,000</b>
<b>Issued</b>		
999 equity shares of ₹ 100/- each	<b>99,900</b>	<b>99,900</b>
<b>Subscribed and paid-up</b>		
999 equity shares of ₹ 100/- each	99,900	99,900

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Notes forming part of financial statements**

	<b>In Rupees</b>	
	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
<b>12. Other equity</b>		
<b>Retained earnings</b>		
Opening balance	87,489,724	98,039,867
Profit for the year	(7,333,461)	39,449,857
Less :		
Dividend	-	50,000,000
<b>Closing balance</b>	<b>80,156,263</b>	<b>87,489,724</b>
<b>Other Comprehensive Income</b>		
<b>Remeasurement of the defined benefit plans</b>		
Opening balance	(3,990,976)	(4,709,193)
For the year (net of tax)	-	718,217
<b>Closing balance</b>	<b>(3,990,976)</b>	<b>(3,990,976)</b>
<b>Effective portion of cash flow hedges</b>		
Opening balance	(272,056)	(69,572)
For the year (net of tax)	-	(202,484)
<b>Closing balance</b>	<b>(272,056)</b>	<b>(272,056)</b>
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.		
<b>Total other equity</b>	<b>75,893,231</b>	<b>83,226,692</b>
<b>13. Deferred tax liability (net)</b>		
Deferred tax liability	100,124	-
	<b>100,124</b>	-
<b>14. Trade payables</b>		
Trade payables	3,770,393	3,500,404
<b>Total</b>	<b>3,770,393</b>	<b>3,500,404</b>
<b>15. Other financial liabilities</b>		
Lease Liability	-	19,886,976
Fair value of forward contracts	-	-
	-	<b>19,886,976</b>
<b>16. Other current liabilities</b>		
Statutory remittances	263,635	323,033
Advance from related Party	-	2,968,305
<b>Total</b>	<b>263,635</b>	<b>3,291,338</b>
<b>17. Current tax liabilities (net)</b>		
Provision for tax	28,349,128	14,372,207
<b>Total</b>	<b>28,349,128</b>	<b>14,372,207</b>

**ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED**  
**Notes forming part of financial statements**

	For the quarter ended Mar 31,2026	For the quarter ended Dec 31,2025	For the quarter ended Mar 31,2025	For the year ended Mar 31,2026	For the year ended Mar 31,2025
<b>18. Revenue from operations</b>					
Revenue from hardware/software products and licenses	-	-	2,828,027	-	2,828,027
Revenue from software services	18,271,399	13,753,703	24,525,854	62,136,797	467,776,730
Other operating revenues	-	-	-	-	-
<b>Total</b>	<b>18,271,399</b>	<b>13,753,703</b>	<b>27,353,880</b>	<b>62,136,797</b>	<b>470,604,756</b>
<b>19. Other income</b>					
Interest					
from unwinding of rent deposits discounted	-	98,406	-	515,498	199,533
from Income tax refund	-	-	-	73,484	-
Profit & Loss on Sale of investments	-	-	471,876	-	2,343,062
Net gain on excess of fair value over carrying costs of current investments	221,005	264,372	74,428	1,119,183	680,413
<b>Total</b>	<b>221,005</b>	<b>362,778</b>	<b>546,304</b>	<b>1,708,165</b>	<b>3,223,008</b>
<b>20. Employee benefits expense</b>					
Salaries, wages, bonus and allowances	-	-	1,474,588	-	305,556,532
Contributions to provident and other funds	150	-	-	150	7,000,886
Staff welfare expenses	66,880	63,175	513,224	892,558	2,691,176
<b>Total</b>	<b>67,030</b>	<b>63,175</b>	<b>1,987,812</b>	<b>892,708</b>	<b>315,248,593</b>
<b>21. Finance costs</b>					
Interest expenses on:					
Inter corporate borrowings	-	-	-	-	24,830
Lease rental discounted	-	110,062	584,628	812,393	3,156,732
<b>Total</b>	<b>-</b>	<b>110,062</b>	<b>584,628</b>	<b>812,393</b>	<b>3,181,562</b>
<b>22. Other expenses</b>					
Power and fuel	245,447	560,267	574,195	2,095,604	2,788,621
Rent	6,232,068	-	(137,472)	6,232,068	(137,472)
Repairs and maintenance - machinery	37,750	-	42,251	50,223	169,805
Recruitment	-	-	-	-	1,612,568
Insurance	1,044,818	1,582	885,406	2,013,002	4,342,962
Rates and taxes	30,431	(1,825)	9,043	31,007	49,103
Communication cost	193,355	177,540	241,168	797,369	1,673,469
Facility maintenance	1,214,219	1,594,238	1,573,219	5,610,913	5,801,532
Travelling and conveyance expenses	-	-	(539,172)	-	795,216
Professional and technical fees	1,139,394	255,264	1,155,812	2,736,807	2,669,903
Insourcing professional fees	879,640	929,640	3,473,136	3,538,088	18,770,553
Software license fees	100,351	101,169	125,953	399,807	1,371,743
Net gain / loss on foreign currency transactions and translations	(852,188)	70,788	(1,235,339)	(665,169)	4,964,555
Expenditure on Corporate Social Responsibility	500,378	500,382	432,657	2,001,524	1,642,000
Net loss on sale of fixed assets scrapped	168,634	-	-	168,634	15,317
Miscellaneous expenses	161,114	236,231	366,239	1,326,778	1,530,100
<b>Total</b>	<b>11,095,412</b>	<b>4,425,276</b>	<b>6,967,097</b>	<b>26,336,654</b>	<b>48,059,975</b>
Service charges from holding company	-	-	-	-	-
<b>Total</b>	<b>11,095,412</b>	<b>4,425,276</b>	<b>6,967,097</b>	<b>26,336,654</b>	<b>48,059,975</b>

**Gapbuster Worldwide Pty Limited**  
**Balance Sheet as at March 31, 2026**

		AUD	
		As at	As at
		March 31, 2026	March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	1	75,736	142,751
Right-of-use assets	1	112,596	262,725
Capital work in Progress		2,669	-
Other non-current assets	2	64,387	64,387
Income tax assets (net)		56,743	-
Deferred tax assets (net)	3	252,100	252,100
<b>Total non-current assets</b>		<b>564,231</b>	<b>721,963</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	4	693,006	1,098,646
Cash and cash equivalents	5	628,589	1,248,063
Other financial assets	6	4,061,215	5,416,098
Other current assets	7	212,306	148,891
<b>Total current assets</b>		<b>5,595,116</b>	<b>7,911,698</b>
<b>TOTAL</b>		<b>6,159,347</b>	<b>8,633,661</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	8	6,921,883	6,921,883
Other equity	9	(3,979,156)	(3,896,143)
<b>Total Equity</b>		<b>2,942,727</b>	<b>3,025,740</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Lease liabilities	10	121,965	271,527
Trade payables	11	664,500	1,036,041
Other financial liabilities	12	609,610	1,641,144
Provisions	13	858,494	851,752
Current tax liabilities (net)		962,051	1,807,457
<b>Total Current liabilities</b>		<b>3,216,620</b>	<b>5,607,921</b>
<b>TOTAL</b>		<b>6,159,347</b>	<b>8,633,661</b>

**Gapbuster Worldwide Pty Limited**  
**Statement of Profit and Loss for the year ended March 31, 2026**

		AUD	AUD
		For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>			
Revenue from operations	<b>14.1</b>	6,281,637	11,743,846
Other income	<b>14.2</b>	28,283	21,913
<b>Total revenue</b>		<b>6,309,920</b>	<b>11,765,759</b>
<b>EXPENSES</b>			
Employee benefit expenses	<b>15</b>	3,760,744	4,538,995
Finance costs	<b>16</b>	14,368	65,535
Depreciation and amortization expense		252,426	273,975
Other expenses	<b>17</b>	2,026,070	3,881,448
<b>Total expenses</b>		<b>6,053,608</b>	<b>8,759,953</b>
<b>Profit before tax</b>		<b>256,312</b>	<b>3,005,806</b>
<b>Tax expense</b>		339,325	908,992
<b>Profit after tax</b>		<b>(83,013)</b>	<b>2,096,814</b>

**Gapbuster Worldwide Pty Limited**  
**Cash Flow Statement for the year ended March 31, 2026**

	AUD	
	Year ended March 31, 2026	Year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit/(loss) before tax</b>	<b>256,312</b>	<b>3,005,806</b>
Adjustments for :		
Depreciation and amortization expense	252,426	273,975
Interests paid on ICD	-	42,680
Unrealised foreign exchange gain/loss	337,369	354,262
Allowance for bad & doubtful trade receivables	(87,504)	4,980
Bad debts written off	74,613	-
<b>Operating Profit before working capital changes</b>	<b>833,216</b>	<b>3,681,702</b>
Adjustments for :		
Decrease/(increase) in trade receivables	81,162	1,150,861
Decrease/(increase) in other financial assets	1,354,883	(2,456,570)
Decrease/(increase) in other current assets	(63,415)	14,744
(Decrease)/increase in trade payables	(371,541)	243,925
(Decrease)/increase in other financial liabilities and current tax liabilities	(1,031,534)	(963,405)
(Decrease)/increase in short-term provisions	6,742	(146,566)
<b>Cash generated from operations</b>	<b>809,513</b>	<b>1,524,692</b>
Direct taxes/advance tax paid (net)	(1,241,474)	-
<b>Net cash from operating activities</b>	<b>(431,961)</b>	<b>1,524,692</b>
<b>Net cash from operating activities after exceptional items</b>	<b>(431,961)</b>	<b>1,524,692</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets and CWIP	(37,952)	(115,247)
<b>Net cash flow from investing activities</b>	<b>(37,952)</b>	<b>(115,247)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid on ICD	-	(42,680)
Interest paid on leases	14,368	-
Payment on lease liabilities	(163,930)	-
Repayment of Inter corporate loan from subsidiary	-	(404,403)
<b>Net cash from financing activities</b>	<b>(149,562)</b>	<b>(447,083)</b>
Net increase/(decrease) in cash and cash equivalents	(619,474)	962,362
Opening cash and cash equivalents	1,248,063	285,701
<b>Closing cash and cash equivalents</b>	<b>628,589</b>	<b>1,248,063</b>
Balances with banks		
In Current accounts	628,589	1,248,063
<b>Total</b>	<b>628,589</b>	<b>1,248,063</b>

**Gapbuster Worldwide Pty Limited****Notes forming part of the financial statements (Amount in AUD)****Note 1: Property, Plant and Equipment and Right-of-use assets****Tangible Assets**

<b>Particulars</b>	<b>Plant and Equipments</b>	<b>Total Tangible Assets</b>	<b>ROU</b>
<b>Gross block</b>			
As at April 1, 2024	678,991	678,991	-
Additions	-	-	375,321
Disposals/Write off	-	-	-
<b>As at March 31, 2025</b>	<b>678,991</b>	<b>678,991</b>	<b>375,321</b>
As at April 1, 2025	678,991	678,991	375,321
Additions	35,283	35,283	-
Disposals/Write off	-	-	-
<b>As at March 31, 2026</b>	<b>714,274</b>	<b>714,274</b>	<b>375,321</b>
<b>Accumulated Depreciation</b>			
As at April 1, 2024	417,827	417,827	-
Charge for the Year	118,413	118,413	112,596
<b>As at March 31, 2025</b>	<b>536,240</b>	<b>536,240</b>	<b>112,596</b>
<b>Depreciation/ Amortization</b>			
As at April 1, 2025	536,240	536,240	112,596
Charge for the Year	102,297	102,297	150,128
Disposals/Write off	-	-	-
<b>As at March 31, 2026</b>	<b>638,537</b>	<b>638,537</b>	<b>262,725</b>
<b>Net Block:</b>			
<b>As at March 31, 2025</b>	<b>142,751</b>	<b>142,751</b>	<b>262,725</b>
<b>As at March 31, 2026</b>	<b>75,736</b>	<b>75,736</b>	<b>112,596</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements (Amount in AUD)**

	AUD	
	As at March 31, 2026	As at March 31, 2025
<b>2 : Other non-current assets</b>		
Rent Deposit	64,387	64,387
	<b>64,387</b>	<b>64,387</b>
<b>3 : Deferred tax assets (net)</b>		
Deferred tax assets (net)	252,100	252,100
	<b>252,100</b>	<b>252,100</b>
<b>4 : Trade receivables</b>		
Unsecured		
Considered good	693,006	1,098,646
Considered doubtful	-	82,480
	693,006	1,181,126
Less : Provision for doubtful trade receivables	-	82,480
<b>Total</b>	<b>693,006</b>	<b>1,098,646</b>
<b>5 : Cash and cash equivalents</b>		
Cash on hand	-	-
<b>Balances with banks</b>		
In Current accounts	628,589	1,248,063
<b>Total</b>	<b>628,589</b>	<b>1,248,063</b>
<b>6 : Other financial assets</b>		
Loans and advances to related parties - Advances recoverable	4,061,215	5,416,098
	<b>4,061,215</b>	<b>5,416,098</b>
<b>7 : Other current assets</b>		
GST & VAT credit receivable	154,327	77,302
Advance to suppliers	3,725	5,129
Prepayment	54,254	66,460
<b>Total</b>	<b>212,306</b>	<b>148,891</b>
<b>8 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital	6,921,883	6,921,883
<b>Total</b>	<b>6,921,883</b>	<b>6,921,883</b>
<b>9 : Other equity</b>		
<b>Securities premium</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(3,896,143)	(5,992,957)
Profit/(loss) for the year	(83,013)	2,096,814
<b>Total</b>	<b>(3,979,156)</b>	<b>(3,896,143)</b>
<b>10 : Lease liabilities</b>		
Lease liabilities	121,965	271,527
<b>Total</b>	<b>121,965</b>	<b>271,527</b>
<b>11 : Trade payables</b>		
Trade payables - other than acceptances	664,500	1,036,041
<b>Total</b>	<b>664,500</b>	<b>1,036,041</b>
<b>12 : Other financial liabilities</b>		
Income received in advance (Unearned revenue)	66,557	607,483
Interest accrued on Inter-corporate deposits	-	295,193
Statutory remittances	190,328	119,693
Advances from customers	6,228	3,259
Reimbursable Expenses payable to related party	-	60,023
Provision for expenses, Salary payable & others	346,497	555,493
<b>Total</b>	<b>609,610</b>	<b>1,641,144</b>
<b>13 : Provisions</b>		
Provision for compensated absences	858,494	851,752
<b>Total</b>	<b>858,494</b>	<b>851,752</b>

**Gapbuster Worldwide Pty Limited**  
**Notes forming part of the financial statements**

	AUD	
	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>14.1 : Revenue from operations</b>		
Revenue from software services	3,664,834	9,775,339
Service charges (interco cost allocation)	2,616,803	1,968,507
<b>Total</b>	<b>6,281,637</b>	<b>11,743,846</b>
<b>14.2 : Other income</b>		
Interest income	1,070	1,081
Rent income from sublease	27,213	19,602
Miscellaneous income	-	1,230
<b>Total</b>	<b>28,283</b>	<b>21,913</b>
<b>15 : Employee benefit expenses</b>		
Salaries, wages, bonus and allowances	3,729,732	4,509,887
Staff welfare expenses	31,012	29,108
<b>Total</b>	<b>3,760,744</b>	<b>4,538,995</b>
<b>16 : Finance costs</b>		
Lease rental discounted	14,368	22,855
Interest on ICD	-	42,680
<b>Total</b>	<b>14,368</b>	<b>65,535</b>
<b>17 : Other expenses</b>		
Power and fuel	7,261	9,610
Repairs and maintenance - Machinery	153,126	178,104
Insurance	11,570	9,475
Rates and taxes	-	18,492
Communication cost	62,797	90,922
Facility maintenance	15,296	14,407
Travelling and conveyance expenses	16,747	87,634
Shoppers Fees & Call centre cost	1,126,368	2,636,094
Professional Fees	76,174	76,308
Insourcing professional fees	83,693	246,569
Recruitment	46,005	25,980
Net loss on foreign currency transaction and translation	337,369	410,344
Bad debts	74,613	-
Impairment loss/(gain) recognised on trade receivable	(87,504)	4,980
Miscellaneous expenses	102,555	72,529
<b>Total</b>	<b>2,026,070</b>	<b>3,881,448</b>

**Sonata Software Solutions North America, Inc.**  
**Balance Sheet**

USD

	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	14,910	24,138
Right-of-use assets	3	60,196	204,667
Financial assets			
Deferred tax asset	4	258,360	-
Investments	5	3,288,775	3,288,775
Other financial assets	6	14,776	14,776
Income tax assets (net)		975,225	5,814,534
<b>Total non-current assets</b>		<b>4,612,241</b>	<b>9,346,890</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Investments	7	-	924,300
Trade receivables	8	2,103,631	13,609,528
Cash and cash equivalents	9	2,117,213	7,087,098
Other financial assets	10	2,808,187	484,235
Other current assets	11	440,697	1,088,352
<b>Total current assets</b>		<b>7,469,728</b>	<b>23,193,513</b>
<b>Total assets</b>		<b>12,081,970</b>	<b>32,540,403</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	9,800	9,800
Other equity	13	7,694,861	5,198,274
<b>Total equity</b>		<b>7,704,661</b>	<b>5,208,074</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Lease liabilities	14	-	67,538
Deferred tax liability	15	-	577,232
<b>Total non-current liabilities</b>		<b>-</b>	<b>644,770</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Lease liabilities	16	72,564	169,153
Trade payables	17	1,105,636	12,180,125
Other financial liabilities	18	76,148	11,090,128
Other current liabilities	19	22,025	826,600
Provisions	20	-	30,702
Current tax liabilities (net)	21	3,100,936	2,390,851
<b>Total current liabilities</b>		<b>4,377,309</b>	<b>26,687,559</b>
<b>Total equity and liabilities</b>		<b>12,081,970</b>	<b>32,540,403</b>

Sonata Software Solutions North America, Inc.  
Statement of Profit and Loss

		USD				
	Note No.	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>						
Revenue from operations	22.1	(337,784)	3,342,474	(19,832,314)	27,552,695	46,874,509
Other income	22.2	18,475	15,382	117,423	128,617	338,558
<b>Total revenue</b>		<b>(319,309)</b>	<b>3,357,856</b>	<b>(19,714,891)</b>	<b>27,681,312</b>	<b>47,213,067</b>
<b>EXPENSES</b>						
Employee benefits expense	23	96,560	129,593	(3,093,684)	5,784,153	4,278,449
Finance costs	24	1,817	2,573	4,779	11,726	59,650
Depreciation and amortization expense	25	38,353	38,442	38,986	154,254	155,916
Other expenses	26	1,176,395	1,785,074	(2,989,444)	18,166,159	33,123,811
<b>Total expenses</b>		<b>1,313,125</b>	<b>1,955,682</b>	<b>(6,039,363)</b>	<b>24,116,292</b>	<b>37,617,826</b>
<b>Profit before tax</b>		<b>(1,632,434)</b>	<b>1,402,174</b>	<b>(13,675,528)</b>	<b>3,565,020</b>	<b>9,595,241</b>
<b>Tax expense</b>						
Current tax		(618,504)	444,517	(3,496,673)	904,023	2,377,137
Deferred tax		(635,499)	(165,408)	(117,554)	(835,590)	(221,219)
<b>Net tax expense</b>		<b>(1,254,003)</b>	<b>279,109</b>	<b>(3,614,227)</b>	<b>68,433</b>	<b>2,155,918</b>
<b>Profit after tax</b>		<b>(378,431)</b>	<b>1,123,065</b>	<b>(10,061,301)</b>	<b>3,496,587</b>	<b>7,439,323</b>
<b>Other comprehensive income</b>		-	-	-	-	-
<b>Total other comprehensive income for the year, net of tax</b>		-	-	-	-	-
<b>Total comprehensive Income for the year</b>		<b>(378,431)</b>	<b>1,123,065</b>	<b>(10,061,301)</b>	<b>3,496,587</b>	<b>7,439,323</b>
Earnings per share - (on USD 1 per share)						
Basic (in USD)		(31)	91	(817)	284	604.43
Diluted (in USD)		(31)	91	(817)	284	604.43

Sonata Software Solutions North America, Inc.  
Statement of Cash Flows

	USD				
	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Profit before tax</b>	<b>(1,632,434)</b>	<b>1,402,174</b>	<b>(13,675,528)</b>	<b>3,565,020</b>	<b>9,595,241</b>
Adjustments for :					
Depreciation and amortization expense	38,353	38,442	38,986	154,254	155,916
Finance costs	1,817	2,573	4,779	11,726	59,650
Allowance for expected credit losses	575,175	-	-	1,059,410	543,139
Interest income	(18,475)	(15,470)	(104,674)	(96,913)	(267,323)
(Gain) / loss on sale of fixed assets	-	-	-	2,865	-
Gain on sale of investments	-	-	-	(31,792)	-
Net gain on investments carried at fair value through profit or loss	-	-	(12,749)	-	(44,702)
Interest expense					
<b>Operating Profit before working capital changes</b>	<b>(1,035,564)</b>	<b>1,427,719</b>	<b>(13,749,186)</b>	<b>4,664,570</b>	<b>10,041,921</b>
Adjustments for :					
Decrease/(increase) in trade receivables	4,302,172	12,072,071	6,680,616	10,446,487	5,939,350
Decrease/(increase) in other financial assets-current	1,937,960	23,083	2,804,553	2,422,195	608,237
Decrease/(increase) in other current assets	(208,849)	537,714	(971,872)	647,655	(1,048,177)
(Decrease)/increase in other financial liabilities-current	(2,500,269)	(7,475,192)	9,837,424	(11,013,980)	10,849,109
(Decrease)/increase in trade payables	(3,343,093)	(6,642,146)	(589,430)	(11,074,489)	3,966,725
(Decrease)/increase in other current liabilities	(358,763)	(37,513)	191,862	(804,577)	600,423
(Decrease)/increase in provisions	-	(22,553)	8,735	(30,702)	16,459
<b>Cash generated from operations</b>	<b>(1,206,406)</b>	<b>(116,817)</b>	<b>4,212,702</b>	<b>(4,742,841)</b>	<b>30,974,047</b>
Income taxes paid	(59,464)	(2,911)	(6,966,518)	(100,776)	(9,389,707)
<b>Net cash from operating activities</b>	<b>(1,265,870)</b>	<b>(119,728)</b>	<b>(2,753,816)</b>	<b>(4,843,617)</b>	<b>21,584,340</b>
<b>Net cash from operating activities</b>	<b>(1,265,870)</b>	<b>(119,728)</b>	<b>(2,753,816)</b>	<b>(4,843,617)</b>	<b>21,584,340</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of investments	-	-	-	956,092	-
Acquisition of property, plant and equipment including capital work-in-progress	(109)	(0)	(3,388)	(3,420)	(11,971)
Interest received	18,475	15,470	104,674	96,913	267,323
<b>Net cash flow from investing activities</b>	<b>18,366</b>	<b>15,470</b>	<b>101,286</b>	<b>1,049,585</b>	<b>255,352</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Payment of lease liabilities	(44,322)	(44,326)	(43,456)	(175,853)	(172,097)
Payment of dividend	-	-	(6,000,000)	(1,000,000)	(24,700,000)
<b>Net cash from financing activities</b>	<b>(44,322)</b>	<b>(44,326)</b>	<b>(6,043,456)</b>	<b>(1,175,853)</b>	<b>(24,872,097)</b>
Net increase/(decrease) in cash and cash equivalents	(1,291,826)	(148,584)	(8,695,987)	(4,969,885)	(3,032,405)
Opening cash and cash equivalents	3,409,039	3,557,623	15,783,085	7,087,098	10,119,503
<b>Closing cash and cash equivalents</b>	<b>2,117,213</b>	<b>3,409,039</b>	<b>7,087,098</b>	<b>2,117,213</b>	<b>7,087,098</b>
Cash and cash equivalents at the end of the year Comprises :					
Balances with banks					
In Current accounts	2,117,213	3,409,039	7,087,098	2,117,213	7,087,098
<b>Total</b>	<b>2,117,213</b>	<b>3,409,039</b>	<b>7,087,098</b>	<b>2,117,213</b>	<b>7,087,098</b>

Sonata Software Solutions North America, Inc.  
Statement of changes in equity

(a) Equity share capital

USD

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>Balance at the beginning of the year</b>	<b>9,800</b>	<b>9,800</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	9,800	9,800
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>9,800</b>	<b>9,800</b>

(b) Other equity

USD

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
<b>Balance as at April 1, 2024</b>	<b>18,958,951</b>	<b>18,958,951</b>
Profit for the year	7,439,323	7,439,323
Impact on account of adoption of Ind AS 116	-	-
Other comprehensive income (net of tax)	-	-
<b>Total comprehensive income for the year</b>	<b>7,439,323</b>	<b>7,439,323</b>
<b>Transactions with owners of the company</b>		
<b>Contributions and distributions</b>		
Payment of cash dividends	(21,200,000)	(21,200,000)
<b>Balance as at March 31, 2025</b>	<b>5,198,274</b>	<b>5,198,274</b>
<b>Balance as at April 1, 2025</b>	<b>5,198,274</b>	<b>5,198,274</b>
Profit for the year	3,496,587	3,496,587
Other comprehensive income (net of tax)	-	-
<b>Total comprehensive income for the year</b>	<b>3,496,587</b>	<b>3,496,587</b>
<b>Transactions with owners of the company</b>		
<b>Contributions and distributions</b>		
Payment of cash dividends	(1,000,000)	(1,000,000)
<b>Balance as at March 31, 2026</b>	<b>7,694,861</b>	<b>7,694,861</b>

Sonata Software Solutions North America, Inc.  
Notes to the financial statements for the period ended March 31, 2026

3 : Property, plant and equipment

USD

Particulars	Office equipment	Furniture and fixtures	Plant and machinery	Total tangible assets	Right of use assets
<b>As at Apr 1, 2024</b>	2,305	41,061	29,292	72,658	-
Additions	-	-	11,971	11,971	349,138
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>2,305</b>	<b>41,061</b>	<b>41,263</b>	<b>84,629</b>	<b>349,138</b>

<b>As at Apr 1, 2025</b>	<b>2,305</b>	<b>41,061</b>	<b>41,263</b>	<b>84,629</b>	<b>349,138</b>
Additions	-	-	3,317	3,317	-
Disposals/Write off	-	-	(14,232)	(14,232)	-
<b>As at Mar 31, 2026</b>	<b>2,305</b>	<b>41,061</b>	<b>30,348</b>	<b>73,714</b>	<b>349,138</b>

Depreciation/ Amortization					
<b>As at Apr 1, 2024</b>	<b>171</b>	<b>27,170</b>	<b>21,705</b>	<b>49,046</b>	-
Charge for the year	1,019	6,408	4,018	11,445	144,471
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>1,190</b>	<b>33,578</b>	<b>25,723</b>	<b>60,491</b>	<b>144,471</b>

<b>As at Apr 1, 2025</b>	<b>1,190</b>	<b>33,578</b>	<b>25,723</b>	<b>60,491</b>	<b>144,471</b>
Charge for the year	526	3,522	(5,735)	(1,687)	144,471
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2026</b>	<b>1,716</b>	<b>37,100</b>	<b>19,988</b>	<b>58,804</b>	<b>288,942</b>

Net Block					
<b>As at Mar 31, 2025</b>	<b>1,115</b>	<b>7,483</b>	<b>15,540</b>	<b>24,138</b>	<b>204,667</b>
<b>As at Mar 31, 2026</b>	<b>589</b>	<b>3,961</b>	<b>10,360</b>	<b>14,910</b>	<b>60,196</b>

Sonata Software Solutions North America, Inc.  
Notes to the financial statements for the period ended March 31, 2026

	USD	
	As at March 31, 2026	As at March 31, 2025
<b>4 : Deferred tax asset</b>		
Deferred tax asset	258,360	
<b>Total</b>	<b>258,360</b>	-
<b>Non-current financial assets</b>		
<b>5 : Investments</b>		
<b>Non-trade, Unquoted and at cost</b>		
In subsidiary companies		
Investment in equity instruments		
Quant Cloud solutions India Private Limited (As at March 31, 2025 9,08,337 Equity shares of ₹10 (fully paid) (Previous year 9,08,337 shares )	3,288,775	3,288,775
Woodshed LLC	-	-
Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC) (As at March 31, 2025 100 Equity shares of CRC 1000 (fully paid) (Previous year 100 shares )	-	-
<b>Total</b>	<b>3,288,775</b>	<b>3,288,775</b>
Aggregate carrying amount of unquoted investments	3,288,775	3,288,775
Investments carried at amortised cost	3,288,775	3,288,775
<b>6 : Other financial assets (Carried at amortised cost, unless otherwise stated)</b>		
Unsecured, considered good		
Security deposits	14,776	14,776
<b>Total</b>	<b>14,776</b>	<b>14,776</b>
<b>Current investments</b>		
<b>7 : Investments</b>		
<b>Investments carried at fair value through profit and loss:</b>		
<b>Investments in funds (Traded, quoted)</b>		
Investment-Edward Jones	-	924,300
<b>Total</b>	-	<b>924,300</b>
<b>8 : Trade receivables</b>		
Unsecured		
Billed		
Considered good	2,045,633	13,235,169
Less: Allowance for credit losses	-	(484,235)
	<u>2,045,633</u>	<u>12,750,934</u>
Credit impaired	1,008,064	523,829
Less : Allowance for credit losses	(1,008,064)	(523,829)
	<u>-</u>	<u>-</u>
Unbilled revenue	57,998	858,594
<b>Total</b>	<b>2,103,631</b>	<b>13,609,528</b>
<b>9 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	2,117,213	7,087,098
<b>Total</b>	<b>2,117,213</b>	<b>7,087,098</b>

Sonata Software Solutions North America, Inc.  
Notes to the financial statements for the period ended March 31, 2026

	USD	
	As at	As at
	March 31, 2026	March 31, 2025
<b>10 : Other financial assets (Carried at amortised cost, unless otherwise stated)</b>		
Unsecured, considered good		
Reimbursement recoverable from related parties	2,808,187	-
Compensation right asset	-	484,235
<b>Total</b>	<b>2,808,187</b>	<b>484,235</b>
<b>11 : Other current assets</b>		
Unsecured, considered good		
Prepaid expenses	25,775	8,767
Employee advances	152,222	20,259
Advance to supplier	262,700	1,059,326
<b>Total</b>	<b>440,697</b>	<b>1,088,352</b>
<b>12 : Equity share capital</b>		
<b>Authorized</b>		
\$0.80 par value 12,308 shares each fully paid-up	<u>9,800</u>	<u>9,800</u>
(March 31, 2025 Common Stock \$0.80 par value, 12,308 shares)		
<b>Issued, Subscribed and paid-up</b>		
\$0.80 par value 12,308 shares each fully paid-up	9,800	9,800
(March 31, 2025 \$0.80 par value 12,308 shares each)		
<b>Total</b>	<u>9,800</u>	<u>9,800</u>
<b>13 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	5,198,274	18,958,951
Profit for the year	3,496,587	7,439,323
Less: Dividend paid	(1,000,000)	(21,200,000)
<b>Closing balance</b>	<u>7,694,861</u>	<u>5,198,274</u>
<b>Closing balance</b>	<u>7,694,861</u>	<u>5,198,274</u>
Retained earning comprises of the amounts that can be distributed		
<b>14 : Lease liabilities</b>		
Lease Liabilities-Non Current	-	67,538
<b>Total</b>	<u>-</u>	<u>67,538</u>
<b>15 : Deferred tax liability</b>		
Deferred tax liability	-	577,230
<b>Total</b>	<u>-</u>	<u>577,230</u>
<b>17 : Trade payables</b>		
Total outstanding dues of creditors	1,105,636	12,180,125
<b>Total</b>	<u>1,105,636</u>	<u>12,180,125</u>
<b>18 : Other financial liabilities</b>		
Employee benefits payable	76,148	1,223,847
Amount payable to related parties	-	9,866,281
<b>Total</b>	<u>76,148</u>	<u>11,090,128</u>
<b>19 : Other current liabilities</b>		
Advances from customers	26,400	508,860
Statutory remittances	(4,375)	317,740
<b>Total</b>	<u>22,025</u>	<u>826,600</u>
<b>20 : Provisions</b>		
Provision for employee benefits - Compensated absences	-	30,702
<b>Total</b>	<u>-</u>	<u>30,702</u>
<b>21 : Current tax liabilities (net)</b>		
Provision for tax	3,100,936	2,390,851

Sonata Software Solutions North America, Inc.  
Notes to the financial statements for the period ended March 31, 2026

	USD	
	As at	As at
	March 31, 2026	March 31, 2025
<b>Total</b>	<b>3,100,936</b>	<b>2,390,851</b>

**Sonata Software Solutions North America, Inc.**  
**Notes to the financial statements for the period ended March 31, 2026**

	USD				
	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>22.1 : Revenue from operations</b>					
Revenue from software services	(337,784)	3,342,474	(19,832,314)	27,202,695	44,856,418
Revenue from hardware/software product and licenses	-	-	-	350,000	1,150,000
Commission	-	-	-	-	868,091
<b>Total</b>	<b>(337,784)</b>	<b>3,342,474</b>	<b>(19,832,314)</b>	<b>27,552,695</b>	<b>46,874,509</b>
<b>22.2 : Other income</b>					
Interest income from bank balances	18,475	15,470	104,674	96,913	267,323
Net gain on foreign currency transaction and translation	-	(88)	-	(88)	-
Profit on sale of investments	-	-	-	31,792	-
Net gain on investments carried at fair value through profit or loss	-	-	12,749	-	44,702
Miscellaneous income	-	-	-	-	26,533
<b>Total</b>	<b>18,475</b>	<b>15,382</b>	<b>117,423</b>	<b>128,617</b>	<b>338,558</b>
<b>23 : Employee benefits expense</b>					
Salaries, wages, bonus	66,345	103,137	3,465,293	5,458,764	10,550,368
Contribution to 401K fund	6,400	2,133	-	8,533	-
Staff welfare expenses	23,815	24,323	217,253	316,856	504,311
Less: Cost transferred to Sonata Software North America	-	-	(6,776,230)	-	(6,776,230)
<b>Total</b>	<b>96,560</b>	<b>129,593</b>	<b>(3,093,684)</b>	<b>5,784,153</b>	<b>4,278,449</b>
<b>24: Finance costs</b>					
Interest expense on financial liabilities measured at amortised cost:					
Lease rental discounted	1,817	2,573	4,726	11,726	59,650
<b>Total</b>	<b>1,817</b>	<b>2,573</b>	<b>4,779</b>	<b>11,726</b>	<b>59,650</b>
<b>25: Depreciation and amortization expense</b>					
Depreciation of property, plant and equipment	2,235	2,324	2,868	9,783	11,445
Depreciation of right on use assets	36,118	36,118	36,118	144,471	144,471
<b>Total</b>	<b>38,353</b>	<b>38,442</b>	<b>38,986</b>	<b>154,254</b>	<b>155,916</b>
<b>26 : Other expenses</b>					
Insourcing professional fees	444,791	128,585	(5,304,121)	11,626,966	26,130,334
Software project fees	88,438	1,506,557	1,651,839	4,955,888	5,356,059
Impairment loss/(gain) recognised on trade receivable	575,175	-	489,546	1,059,410	543,139
Rates and taxes	-	1,504	9,754	3,621	194,854
Travelling and conveyance expenses	20	22,529	62,671	76,751	181,113
Facility maintenance	16,538	19,954	39,543	87,765	89,870
Professional and technical fees	12,893	7,040	11,103	67,791	123,518
Miscellaneous expenses	29,402	81,405	46,261	217,366	338,649
Payment to auditors	9,750	9,750	-	31,188	46,805
Repairs and maintenance - Machinery	-	-	-	2,702	29,018
Recruitment expenses	-	-	-	-	20,189
Communication cost	479	2,930	5,527	26,478	18,311
Rent	-	-	-	-	34,556
Insurance	-	-	-	-	7,189
Legal fees	(3,000)	3,000	-	-	7,173
Power and fuel	1,909	1,820	1,820	7,368	3,034
Net loss on fixed assets sold / scrapped	-	-	(3,387)	2,865	-
<b>Total</b>	<b>1,176,395</b>	<b>1,785,074</b>	<b>(2,989,444)</b>	<b>18,166,159</b>	<b>33,123,811</b>

**Sonata Software Malaysia SDN BHD.**

**Balance Sheet**

		In MYR	
		As at	As at
	Note No.	March 31, 2026	March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	372,303	504,239
Other financial assets	4	204,731	194,731
Deferred tax assets (net)	16		-
Income tax assets		49,927	123,467
<b>Total non-current assets</b>		<b>626,961</b>	<b>822,437</b>
<b>CURRENT ASSETS</b>			
Financial assets	5		
Trade receivables	5.1	1,912,405	486,484
Cash and cash equivalents	5.2	172,742	441,126
Other current assets	6	89,394	213,903
<b>Total current assets</b>		<b>2,174,541</b>	<b>1,141,513</b>
<b>Total assets</b>		<b>2,801,502</b>	<b>1,963,950</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	7	500,000	500,000
Other equity	8	1,784,322	943,340
<b>Total Equity</b>		<b>2,284,322</b>	<b>1,443,340</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability		21,068	
<b>Total non-current liabilities</b>		<b>21,068</b>	-
<b>CURRENT LIABILITIES</b>			
Financial liabilities	9		
Trade payables	9.1	76,843	67,419
Other financial liabilities	9.2	38,831	46,069
Other current liabilities	10	157,524	166,100
Provisions	11	54,677	118,648
Current tax liabilities	12	168,237	122,374
<b>Total current liabilities</b>		<b>496,112</b>	<b>520,610</b>
<b>Total equity and liabilities</b>		<b>2,801,502</b>	<b>1,963,950</b>

Sonata Software Malaysia SDN BHD.  
Statement of Profit and Loss

		In MYR				
		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>REVENUE</b>						
Revenue from operations	13	1,867,298	1,803,799	1,181,092	7,150,806	8,020,139
<b>Total revenue</b>		<b>1,867,298</b>	<b>1,803,799</b>	<b>1,181,092</b>	<b>7,150,806</b>	<b>8,020,139</b>
<b>EXPENSES</b>						
Employee benefit expenses	14	893,714	1,173,828	1,201,531	4,269,790	5,413,263
Depreciation and amortization expense	3	29,533	30,189	30,263	119,909	102,139
Other expenses	15	328,291	373,410	363,817	1,463,454	1,889,602
<b>Total expenses</b>		<b>1,251,538</b>	<b>1,577,427</b>	<b>1,595,611</b>	<b>5,853,153</b>	<b>7,405,004</b>
<b>Profit before tax</b>		<b>615,760</b>	<b>226,372</b>	<b>(414,519)</b>	<b>1,297,653</b>	<b>615,135</b>
Current tax expense		271,250	55,028	-	435,603	252,374
Deferred Tax Expense		-	21,068	-	21,068	-
<b>Net tax expense</b>		<b>271,250</b>	<b>76,096</b>	<b>-</b>	<b>456,671</b>	<b>252,374</b>
<b>Profit after tax</b>		<b>344,510</b>	<b>150,276</b>	<b>(414,519)</b>	<b>840,982</b>	<b>362,761</b>

**Sonata Software Malaysia SDN BHD.**  
**Cash Flow Statement**

	In MYR				
	For the quarter ended	For the quarter ended	For the quarter ended	For the period ended	For the period ended
	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Net profit before tax</b>	<b>615,760</b>	<b>226,372</b>	<b>(414,519)</b>	<b>1,297,653</b>	<b>615,135</b>
Adjustments for :					
Depreciation and amortization expense	29,533	30,189	30,263	119,909	102,139
Net gain / loss on fixed assets sold	-	-	-	12,024	-
Unrealized foreign exchange gain (net)	346	(3,176)	-	(7,298)	-
<b>Operating Profit before working capital changes</b>	<b>645,639</b>	<b>253,385</b>	<b>(384,256)</b>	<b>1,422,288</b>	<b>717,274</b>
Adjustments for :					
Decrease/(increase) in trade receivables	(397,064)	(241,467)	969,338	(1,418,623)	(92,405)
Decrease/(increase) in other financial assets	-	-	194,731	-	191,641
Decrease/(increase) in other current assets	(43,897)	4,036	(100,952)	124,509	(44,404)
(Decrease)/increase in trade payables	(56,372)	(33,679)	(30,018)	9,424	(260,166)
(Decrease)/increase in other financial liabilities	11,070	(11,221)	(16,447)	(7,238)	(651,261)
(Decrease)/increase in other current liabilities	(99,948)	92,138	(145,057)	(8,576)	72,942
Decrease/(increase) in other non-current financial assets	-	-	-	-	-
(Decrease)/increase in short-term provisions	(17,881)	23,907	(12,650)	(63,968)	75,760
(Decrease)/increase in other non-current liabilities	-	-	-	-	-
<b>Cash generated from operations</b>	<b>41,547</b>	<b>87,100</b>	<b>474,689</b>	<b>57,816</b>	<b>9,381</b>
Direct taxes/advance tax paid (net)	(14,200)	(64,499)	(130,000)	(316,200)	(253,467)
<b>Net cash from operating activities</b>	<b>27,347</b>	<b>22,600</b>	<b>344,689</b>	<b>(258,384)</b>	<b>(244,086)</b>
<b>Net cash from operating activities after exceptional items</b>	<b>27,347</b>	<b>22,600</b>	<b>344,689</b>	<b>(258,384)</b>	<b>(244,086)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	-	-	(5,436)	-	(377,831)
Proceeds from Sale of CWIP	-	-	-	-	-
Security deposit paid	(10,000)	-	(194,731)	(10,000)	(194,731)
Interest Income	-	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>(10,000)</b>	<b>-</b>	<b>(200,167)</b>	<b>(10,000)</b>	<b>(572,562)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital	-	-	-	-	-
Payment on lease liabilities	-	-	-	-	-
Finance cost	-	-	-	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	17,347	22,600	144,522	(268,384)	(816,648)
Opening cash and cash equivalents	155,395	132,795	296,604	441,126	1,257,774
<b>Closing cash and cash equivalents</b>	<b>172,742</b>	<b>155,395</b>	<b>441,126</b>	<b>172,742</b>	<b>441,126</b>
Cash and cash equivalents at the end of the year Comprises :					
Cash on hand	-	-	-	-	-
Balances with banks					
In Current accounts	172,742	155,395	441,126	172,742	441,126
In demand deposit accounts	-	-	-	-	-
<b>Total</b>	<b>172,742</b>	<b>155,395</b>	<b>441,126</b>	<b>172,742</b>	<b>441,126</b>

Particulars	Tangible Assets				Total Tangible Assets
	Plant and Equipments	Leasehold improvements	Furniture & fixtures	Office Equipments	
As at 1st April, 2024	218,590	750	49,250	-	268,590
Additions	300,491	-	22,198	55,141	377,830
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>519,081</b>	<b>750</b>	<b>71,448</b>	<b>55,141</b>	<b>646,419</b>
As at 1st April, 2025	519,081	750	71,448	55,141	646,419
Additions	7,500	-	-	6,282	13,782
Disposals/Write off	(27,095)	-	-	(15,223)	(42,318)
<b>As at March 31, 2026</b>	<b>499,486</b>	<b>750</b>	<b>71,448</b>	<b>46,200</b>	<b>617,884</b>
<b>Depreciation/ Amortization</b>					
As at 1st April, 2024	39,730	20	292	-	40,042
Charge for the Year	82,414	150	10,213	9,362	102,138
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>122,144</b>	<b>170</b>	<b>10,505</b>	<b>9,362</b>	<b>142,180</b>
<b>Depreciation/ Amortization</b>					
As at 1st April, 2025	122,144	170	10,505	9,362	142,180
Charge for the Year	101,154	-	10,185	8,421	119,760
Disposals/Write off	(14,662)	-	-	(1,698)	(16,360)
<b>As at March 31, 2026</b>	<b>208,636</b>	<b>170</b>	<b>20,690</b>	<b>16,085</b>	<b>245,581</b>
<b>Net Block:</b>					
As at Mar 31, 2025	396,937	580	60,943	45,779	504,239
As at March 31, 2026	290,850	580	50,758	30,115	372,303

**Quant Cloud Solutions Private Limited**  
**Notes forming part of financial statements**

	In MYR	
	As at March 31, 2026	As at March 31, 2025
<b>4 : Other financial assets</b>		
Security deposits	204,731	194,731
<b>Total</b>	<b>204,731</b>	<b>194,731</b>
<b>5.1 : Trade receivables</b>		
Unsecured		
Considered good	1,912,405	486,484
Considered doubtful	-	-
	1,912,405	486,484
Less : Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>1,912,405</b>	<b>486,484</b>
<b>5.2 : Cash and cash equivalents</b>		
Balances with banks		
In Current accounts	172,742	441,126
<b>Total</b>	<b>172,742</b>	<b>441,126</b>
<b>6 : Other current assets</b>		
Prepaid expenses	84,970	109,730
Balances with government authorities		
Sales and Service Tax input	1,399	1,203
Staff Advances	-	98,252
Other Recoverables	3,025	4,718
<b>Total</b>	<b>89,394</b>	<b>213,903</b>
<b>7 : Equity Share capital</b>		
<b>Issued, Subscribed and paid-up</b>		
Share capital - 500,000 of MYR 1 each	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>
<b>8 : Other equity</b>		
<b>Retained earnings</b>		
Opening balance	943,340	580,579
Profit for the period	840,982	362,761
<b>Closing balance</b>	<b>1,784,322</b>	<b>943,340</b>
<b>9.1 : Trade payables</b>		
Trade payables - other than acceptances	76,843	67,419
<b>Total</b>	<b>76,843</b>	<b>67,419</b>
<b>9.2 : Other financial liabilities</b>		
Reimbursable Expenses payable to related party	38,831	46,069
<b>Total</b>	<b>38,831</b>	<b>46,069</b>
<b>10 : Other current liabilities</b>		
Statutory remittances	157,524	166,100
<b>Total</b>	<b>157,524</b>	<b>166,100</b>
<b>11 : Provisions</b>		
Provision for compensated absences	54,677	118,648
<b>Total</b>	<b>54,677</b>	<b>118,648</b>
<b>12 : Current tax liabilities</b>		
Provision for tax	168,237	122,374
<b>Total</b>	<b>168,237</b>	<b>122,374</b>

Sonata Software Malaysia SDN BHD.

Notes forming part of financial statements

	In MYR				
	For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>13 : Revenue from operations</b>					
Revenue from software services	1,867,298	1,803,799	1,181,092	7,150,806	8,020,139
<b>Total</b>	<b>1,867,298</b>	<b>1,803,799</b>	<b>1,181,092</b>	<b>7,150,806</b>	<b>8,020,139</b>
<b>14 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	770,455	1,052,783	1,101,948	3,786,424	4,861,826
Contribution	92,539	112,023	92,253	393,692	480,631
Staff welfare expenses	30,720	9,022	7,330	89,674	70,806
<b>Total</b>	<b>893,714</b>	<b>1,173,828</b>	<b>1,201,531</b>	<b>4,269,790</b>	<b>5,413,263</b>
<b>15 : Other expenses</b>					
Power and fuel	1,789	516	1,875	5,835	10,682
Rent	164,988	168,101	155,649	656,839	623,136
Repairs and maintenance - Machinery	-	2,450	-	2,450	26,195
Rates and taxes	-	-	-	8,409	28,740
Communication cost	3,758	823	1,645	7,154	9,247
Facility maintenance	72,388	47,832	53,922	231,178	193,056
Travelling and conveyance expenses	1,047	2,489	4,271	20,307	39,146
Legal Fees	-	-	-	15,077	-
Net gain on foreign currency transaction and translation	346	(3,176)	71,197	(7,298)	163,640
Professional and technical fees	27,819	41,990	17,725	94,771	184,836
Insourcing professional fees	64,124	52,361	39,328	226,391	427,721
Net loss on fixed assets sold / scrapped	-	-	-	12,024	-
Payment to auditors	3,200	24,126	-	36,236	-
Miscellaneous expenses	(19,068)	35,898	18,205	146,181	183,203
<b>Total</b>	<b>328,291</b>	<b>373,410</b>	<b>363,817</b>	<b>1,463,454</b>	<b>1,889,602</b>

Sonata Software Canada Limited  
Balance Sheet

Amounts in CAD

	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	7,058	76,939
Right of use assets		-	108,600
<b>Total non-current assets</b>		<b>7,058</b>	<b>185,539</b>
<b>CURRENT ASSETS</b>			
Financial assets			
Trade receivables	2	55,832	12,644
Cash and cash equivalents	3	297,620	158,094
Other financial assets	4	-	17,656
Other current assets	5	96,719	13,911
<b>Total current assets</b>		<b>450,171</b>	<b>202,305</b>
<b>Total assets</b>		<b>457,229</b>	<b>387,844</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	1,000	1,000
Other equity	7	282,906	203,020
<b>Total Equity</b>		<b>283,906</b>	<b>204,020</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8	-	61,329
<b>Total non-current liabilities</b>		<b>-</b>	<b>61,329</b>
<b>CURRENT LIABILITIES</b>			
Lease liabilities		-	58,173
Financial liabilities			
Trade payables	9	143,778	34,966
Other current liabilities	10	-	29,356
Current tax liabilities(net)		29,545	-
<b>Total current liabilities</b>		<b>173,323</b>	<b>122,495</b>
<b>Total equity and liabilities</b>		<b>457,229</b>	<b>387,844</b>

Sonata Software Canada Limited  
Statement of Profit and Loss

Amounts in CAD

	Note No.	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>INCOME</b>						
Revenue from operations	11	122,021	134,522	158,795	611,115	695,353
Other Income	12	116	8,565	171	8,966	1,701
<b>Total revenue</b>		<b>122,137</b>	<b>143,087</b>	<b>158,966</b>	<b>620,081</b>	<b>697,054</b>
<b>EXPENSES</b>						
Purchases of stock-in-trade (traded goods)			-	-	3,100	-
Employee benefit expenses	13	-	-	-	-	205
Finance costs	14	-	199	842	1,609	3,908
Depreciation and amortization expense	1	859	7,217	18,722	44,721	75,208
Other expenses	15	62,487	111,001	110,978	461,219	634,976
<b>Total expenses</b>		<b>63,346</b>	<b>118,417</b>	<b>130,542</b>	<b>510,649</b>	<b>714,297</b>
<b>Profit before tax</b>		<b>58,791</b>	<b>24,670</b>	<b>28,424</b>	<b>109,432</b>	<b>(17,243)</b>
Tax expense		15,367	6,909	9,590	29,546	14,672
<b>Net tax expense</b>		<b>15,367</b>	<b>6,909</b>	<b>9,590</b>	<b>29,546</b>	<b>14,672</b>
<b>Profit after tax</b>		<b>43,424</b>	<b>17,761</b>	<b>18,834</b>	<b>79,886</b>	<b>(31,915)</b>

Sonata Software Canada Limited  
Statement of cash flow

	Amounts in CAD				
	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before tax	58,791	24,670	28,424	109,432	(17,243)
Adjustments for :					
Depreciation and amortization expense	859	7,217	18,722	44,721	75,208
Interest expense	-	199	842	1,609	3,908
Gain on derecognition of leases	-	(8,502)	-	(8,502)	-
Loss on sale of asset	-	33,893	-	55,561	-
Unrealized foreign exchange (gain) / loss	(2,078)	2,022	11,366	(528)	(1,097)
<b>Operating Profit before working capital changes</b>	<b>57,573</b>	<b>59,499</b>	<b>59,354</b>	<b>202,293</b>	<b>60,776</b>
<i>Changes in operating assets and liabilities:</i>					
Decrease/(increase) in trade receivables	46,132	(47,240)	152,741	(43,181)	21,898
Decrease/(increase) in other current assets	23,376	(8,850)	(12,114)	(82,808)	37,899
Decrease/(increase) in other financial assets	-	17,656	1	17,656	2,792
(Decrease)/increase in trade payables	20,411	(7,112)	(359,120)	109,340	(371,437)
(Decrease)/increase in other current liabilities	-	-	11,609	(29,356)	9,338
<b>Net cash flow from / (used in) operations</b>	<b>147,491</b>	<b>13,953</b>	<b>(147,531)</b>	<b>173,944</b>	<b>(238,735)</b>
Income taxes paid (net of refunds)	-	-	-	-	(58,221)
<b>Net cash from operating activities</b>	<b>147,491</b>	<b>13,953</b>	<b>(147,531)</b>	<b>173,944</b>	<b>(296,956)</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Payment of lease liability	-	(4,918)	(14,750)	(34,418)	(58,754)
Proceeds from investment	-	-	-	-	300,000
<b>Net cash flow used in financing activities</b>	<b>-</b>	<b>(4,918)</b>	<b>(14,750)</b>	<b>(34,418)</b>	<b>241,246</b>
Net increase/(decrease) in cash and cash equivalents	<b>147,491</b>	<b>9,035</b>	<b>(162,281)</b>	<b>139,527</b>	<b>(55,710)</b>
Opening cash and cash equivalents	150,129	141,094	320,374	158,094	213,803
<b>Closing cash and cash equivalents</b>	<b>297,620</b>	<b>150,129</b>	<b>158,094</b>	<b>297,620</b>	<b>158,094</b>
Cash and cash equivalents at the end of the year comprises :					
Cash on hand					
Balances with banks					
In Current accounts	297,620	150,129	158,094	297,620	158,094
<b>Total</b>	<b>297,620</b>	<b>150,129</b>	<b>158,094</b>	<b>297,620</b>	<b>158,094</b>

Sonata Software Canada Limited

Notes to the financial statements for the year ended March 31, 2026

1 : Property, plant and equipment

Amounts in CAD

Particulars	Office Equipments	Leasehold Improvements	Furniture and Fixtures	Plant and Machinery	Total
<b>Cost</b>					
As at April 1, 2024	5,740	22,532	74,605	28,422	131,299
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>5,740</b>	<b>22,533</b>	<b>74,605</b>	<b>28,422</b>	<b>131,299</b>
As at April 1, 2025	5,740	22,533	74,605	28,422	131,300
Additions	-	-	-	-	-
Disposals/Write off	(5,740)	(22,533)	(74,605)	(3,498)	(106,376)
<b>As at March 31, 2026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,925</b>	<b>24,925</b>
<b>Depreciation/ Amortization</b>					
As at April 1, 2024	809	7,885	13,306	9,280	31,281
Charge for the period	2,227	4,504	10,651	5,698	23,079
Disposals/Write off	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>3,036</b>	<b>12,389</b>	<b>23,957</b>	<b>14,978</b>	<b>54,360</b>
As at April 1, 2025	3,036	12,389	23,957	14,978	54,360
Charge for the period	561	3,011	6,077	4,664	14,313
Disposals/Write off	(3,597)	(15,400)	(30,034)	(1,775)	(50,806)
<b>As at March 31, 2026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,867</b>	<b>17,867</b>
<b>Net Block</b>					
As at March 31, 2026	-	-	-	7,058	7,058
As at March 31, 2025	2,704	10,142	50,649	13,444	76,939

Sonata Software Canada Limited

Notes to the financial statements for the year ended March 31, 2026

Amounts in CAD

	As at March 31, 2026	As at December 31, 2025	As at March 31, 2025
<b>2 : Trade receivables</b>			
Unsecured			
Considered good	55,832	101,966	12,644
Considered doubtful	-	-	-
	<u>55,832</u>	<u>101,966</u>	<u>12,644</u>
Less : Provision for doubtful trade receivables	-	-	-
	<u>55,832</u>	<u>101,966</u>	<u>12,644</u>
<b>Total</b>	<b>55,832</b>	<b>101,966</b>	<b>12,644</b>
<b>3 : Cash and cash equivalents</b>			
Balances with banks			
In Current accounts	297,620	150,129	158,094
<b>Total</b>	<b>297,620</b>	<b>150,129</b>	<b>158,094</b>
<b>4 : Other financial assets</b>			
Security deposits	-	-	17,656
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,656</b>
<b>5 : Other current assets</b>			
Prepaid expenses	-	-	2,684
Other recoverables	-	-	11,227
Reimbursable expenses receivable from related party	27,725	27,690	
GST Input	68,993	92,404	-
<b>Total</b>	<b>96,719</b>	<b>120,094</b>	<b>13,911</b>
<b>6 : Equity share capital</b>			
<b>Issued, Subscribed and paid-up</b>			
500,250 shares of \$1 each fully paid-up	1,000	1,000	1,000
( As at March 31, 2025, 500,250 shares of \$1 each fully paid up )			
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>7 : Other equity</b>			
<b>Securities premium</b>			
<b>Retained earnings</b>			
Opening balance	203,020	203,020	248,554
Impact on account of Ind AS 116	-	-	(13,619)
Profit for the year	79,886	36,462	(31,915)
<b>Closing balance</b>	<b>282,906</b>	<b>239,482</b>	<b>203,020</b>
<b>Total</b>	<b>282,906</b>	<b>239,482</b>	<b>203,020</b>
<b>8 : Lease liabilities</b>			
Lease liabilities	-	-	61,329
<b>Total</b>	<b>-</b>	<b>-</b>	<b>61,329</b>
<b>9 : Trade payables</b>			
Total outstanding dues to Creditors - other than acceptances	143,778	125,445	34,966
<b>Total</b>	<b>143,778</b>	<b>125,445</b>	<b>34,966</b>
<b>10 : Other current liabilities</b>			
Reimbursable Expenses payable to related party	-	-	382
Statutory remittances	-	-	28,974
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29,356</b>

Sonata Software Canada Limited

Notes to the financial statements for the year ended March 31, 2026

Amounts in CAD

	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>11 : Revenue from operations</b>					
Revenue from software services	122,021	134,522	158,795	606,981	695,353
Revenue from software product and licenses	-	-	-	4,134	-
<b>Total</b>	<b>122,021</b>	<b>134,522</b>	<b>158,795</b>	<b>611,115</b>	<b>695,353</b>
<b>12 : Other Income</b>					
Interest income	116	63	171	464	1,701
Gain on derecognition of leases	-	8,502	-	8,502	-
<b>Total</b>	<b>116</b>	<b>8,565</b>	<b>171</b>	<b>8,966</b>	<b>1,701</b>
<b>13 : Employee benefit expenses</b>					
Staff welfare expenses	-	-	-	-	205
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205</b>
<b>14 : Finance costs</b>					
Interest on right-of-use lease	-	199	842	1,609	3,908
<b>Total</b>	<b>-</b>	<b>199</b>	<b>842</b>	<b>1,609</b>	<b>3,908</b>
<b>15 : Other expenses</b>					
Rent	3,255	17,655	-	45,329	-
Repairs and maintenance	-	-	54	-	133
Insurance	-	895	895	2,684	3,375
Rates and taxes	11	622	1,866	21,491	7,685
Communication cost	8,991	1,300	3,075	15,970	(7,500)
Facility maintenance	2,366	3,442	10,327	32,351	47,111
Travelling and conveyance expenses	-	-	-	-	422
Insourcing professional fees	-	-	7,280	-	106,080
Professional and technical fees	600	12,178	3,717	36,824	16,625
Software Project Fee	41,057	40,686	76,150	235,192	415,676
Loss on sale/scrap of asset	-	31,382	-	53,050	-
Net loss on foreign currency transaction and translation	2,681	(1,813)	3,927	1,530	29,640
Miscellaneous expenses	3,526	4,654	3,687	16,798	15,729
<b>Total</b>	<b>62,487</b>	<b>111,001</b>	<b>110,978</b>	<b>461,219</b>	<b>634,976</b>

**Sonata Software Intercontinental Limited**  
**Balance Sheet**

		Amounts in Euro		
	Note No.	As at March 31, 2026	As at December 31, 2025	As at March 31, 2025
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		353	469	1,600
Financial assets				
Deferred tax assets (net)	1	101,752	101,752	101,752
Other non-current assets	2	-	2,400	2,400
<b>Total non-current assets</b>		<b>102,105</b>	<b>104,621</b>	<b>105,752</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	3	432,683	204,052	381,753
Cash and cash equivalents	3.1	49,411	334,147	78,949
Other current assets	4	41,749	46,635	54,757
<b>Total current assets</b>		<b>523,843</b>	<b>584,834</b>	<b>515,459</b>
<b>Total assets</b>		<b>625,948</b>	<b>689,455</b>	<b>621,211</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Other equity	5	(815,664)	(877,733)	(899,774)
<b>Total Equity</b>		<b>(815,664)</b>	<b>(877,733)</b>	<b>(899,774)</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	6	845,234	976,337	940,191
Other financial liabilities	6.1	431,188	435,425	429,608
Other current liabilities	7	73,951	75,932	60,937
Provisions	8	70,624	68,797	85,060
Current tax liabilities (net)	9	20,615	10,697	5,188
<b>Total current liabilities</b>		<b>1,441,612</b>	<b>1,567,188</b>	<b>1,520,985</b>
<b>Total equity and liabilities</b>		<b>625,948</b>	<b>689,455</b>	<b>621,211</b>

**Sonata Software Intercontinental Limited**  
**Statement of Profit and Loss**

Amounts in Euro

	Note no.	For the quarter ended March 31, 2026	For the quarter ended Dec 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>REVENUE</b>						
Revenue from operations	10	504,738	365,123	316,751	1,323,311	888,915
Other income	11	-	-	-	-	678
<b>Total income</b>		<b>504,738</b>	<b>365,123</b>	<b>316,751</b>	<b>1,323,311</b>	<b>889,593</b>
<b>EXPENSES</b>						
Cost of goods sold	12	113,599	38,411	18,400	233,907	211,838
Employee benefit expenses	13	235,773	102,038	144,783	626,666	702,097
Depreciation and amortization expense		116	119	208	658	814
Other expenses	14	83,263	80,083	163,312	362,548	817,228
<b>Total expenses</b>		<b>432,751</b>	<b>220,651</b>	<b>326,703</b>	<b>1,223,778</b>	<b>1,731,977</b>
<b>Profit before tax</b>		<b>71,987</b>	<b>144,472</b>	<b>(9,952)</b>	<b>99,533</b>	<b>(842,384)</b>
<b>Tax expense</b>						
Current tax expense		9,918	5,509	-	15,427	-
Excess provision for tax relating to prior years		(21)	-	-	-	-
Deferred tax		-	-	104,054	-	-
<b>Net tax expense</b>		<b>9,898</b>	<b>5,509</b>	<b>104,054</b>	<b>15,427</b>	<b>-</b>
<b>Profit for the period</b>		<b>62,089</b>	<b>138,963</b>	<b>(114,006)</b>	<b>84,106</b>	<b>(842,384)</b>

Sonata Software Intercontinental Limited  
Cash Flow Statement

Amounts in Euro

	For the quarter ended March 31, 2026	For the quarter ended Dec 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>					
<b>Profit before tax</b>	<b>71,987</b>	<b>144,473</b>	<b>(9,953)</b>	<b>99,533</b>	<b>(842,384)</b>
Adjustments for :					
Depreciation and amortization expense	116	119	208	658	814
Impairment loss recognised on trade receivable	(21,463)	8,118	2,760	(4,120)	10,299
Net (gain) / loss on sale of fixed assets / scrapped	-	-	-	592	-
<b>Operating profit before working capital changes</b>	<b>50,640</b>	<b>152,710</b>	<b>(6,984)</b>	<b>96,663</b>	<b>(831,271)</b>
Adjustments for :					
Decrease/(increase) in trade receivables	(207,168)	154,143	(138,646)	(46,809)	884,655
Decrease/(increase) in other financial assets and other current as	7,286	1,694	7,438	15,408	(5,255)
(Decrease)/increase in trade payables	(131,103)	5,603	132,291	(94,957)	(515,003)
(Decrease)/increase in other financial liabilities	(4,237)	(713)	82,612	1,580	406,297
(Decrease)/increase in other current liabilities	(1,981)	4,291	(20,230)	13,014	(69,797)
(Decrease)/increase in provisions	1,827	(31,763)	12,759	(14,436)	41,852
<b>Cash generated from operations:</b>	<b>(284,736)</b>	<b>285,965</b>	<b>69,239</b>	<b>(29,538)</b>	<b>(88,522)</b>
Direct taxes/advance tax (paid)/refund (net)	-	-	-	-	2,585
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(284,736)</b>	<b>285,965</b>	<b>69,239</b>	<b>(29,538)</b>	<b>(85,937)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisition of property, plant and equipment	-	-	-	-	(1,119)
Purchase of investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	19,425
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,306</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B)</b>	<b>(284,736)</b>	<b>285,965</b>	<b>69,239</b>	<b>(29,538)</b>	<b>(67,631)</b>
Opening Cash and cash equivalents	334,147	48,182	9,710	78,949	146,580
<b>Closing Cash and cash equivalents</b>	<b>49,411</b>	<b>334,147</b>	<b>78,949</b>	<b>49,411</b>	<b>78,949</b>
Cash and cash equivalents at the end of the period comprises:					
Balances with banks					
In Current accounts	49,411	334,147	78,949	49,411	78,949
	<b>49,411</b>	<b>334,147</b>	<b>78,949</b>	<b>49,411</b>	<b>78,949</b>

Sonata Software Intercontinental Limited  
Notes to the financial statements for the year ended March 31, 2026

	Amounts in Euro		
	As at March 31, 2026	As at December 31, 2025	As at March 31, 2025
<b>1. Deferred tax assets (net)</b>			
Deferred tax assets (net)	101,752	101,752	101,752
<b>Total</b>	<b>101,752</b>	<b>101,752</b>	<b>101,752</b>
<b>2. Other non-current assets</b>			
Other deposits	-	2,400	2,400
<b>Total</b>	<b>-</b>	<b>2,400</b>	<b>2,400</b>
<b>3. Trade receivables</b>			
Unsecured			
Considered good	361,729	204,052	150,764
Considered doubtful	-	21,463	4,120
	361,729	225,515	154,884
Less : Allowances for credit losses	-	21,463	4,120
Unbilled	70,954	-	230,989
<b>Total</b>	<b>432,683</b>	<b>204,052</b>	<b>381,753</b>
<b>3.1. Cash and cash equivalents</b>			
Balances with banks			
In current accounts	49,411	334,147	78,949
<b>Total</b>	<b>49,411</b>	<b>334,147</b>	<b>78,949</b>
<b>4. Other current assets</b>			
Prepaid expenses	-	244	1,711
Vat Input recoverable	34,715	38,973	35,674
Other recoverables	7,034	7,419	17,372
<b>Total</b>	<b>41,749</b>	<b>46,635</b>	<b>54,757</b>
<b>5. Other equity</b>			
Opening balance	(899,770)	(899,770)	(57,390)
Profit for the period	84,106	22,037	(842,384)
<b>Closing balance</b>	<b>(815,664)</b>	<b>(877,733)</b>	<b>(899,774)</b>
<b>6. Trade payables</b>			
Trade payables - other than acceptances	845,234	976,337	940,191
<b>Total</b>	<b>845,234</b>	<b>976,337</b>	<b>940,191</b>
<b>6.1. Other financial liabilities</b>			
Reimbursable expenses payable to related party	431,188	435,425	429,608
	<b>431,188</b>	<b>435,425</b>	<b>429,608</b>
<b>7. Other current liabilities</b>			
Statutory remittances	73,951	69,519	54,524
Others	0	6,413	6,413
<b>Total</b>	<b>73,951</b>	<b>75,932</b>	<b>60,937</b>
<b>8. Provisions</b>			
Provision for employee benefits - Compensated absences	39,105	43,592	59,637
Provision for Incentive	31,519	25,205	25,423
<b>Total</b>	<b>70,624</b>	<b>68,797</b>	<b>85,060</b>
<b>9. Current tax liabilities (net)</b>			
Provision for tax	20,615	10,697	5,188
<b>Total</b>	<b>20,615</b>	<b>10,697</b>	<b>5,188</b>

Sonata Software Intercontinental Limited  
Notes to the financial statements for the year ended March 31, 2026

	Amounts in Euro				
	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>10. Revenue from operations</b>					
Revenue from software services	368,714	331,537	274,260	1,074,731	571,860
Revenue from hardware/software product and licenses	136,024	33,586	42,491	248,580	317,055
<b>Total</b>	<b>504,738</b>	<b>365,123</b>	<b>316,751</b>	<b>1,323,311</b>	<b>888,915</b>
<b>11. Other income</b>					
Net gain on current investments	-	-	-	-	678
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>678</b>
<b>12. Cost of goods sold</b>					
Purchase of stock-in-trade (traded goods)	113,599	38,411	18,400	233,907	211,838
<b>Total</b>	<b>113,599</b>	<b>38,411</b>	<b>18,400</b>	<b>233,907</b>	<b>211,838</b>
<b>13. Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	239,853	117,905	148,430	614,837	679,758
Staff Welfare	406	1,321	689	9,789	5,910
Leave Encashment	(4,487)	(17,188)	(4,336)	2,040	16,429
<b>Total</b>	<b>235,773</b>	<b>102,038</b>	<b>144,783</b>	<b>626,666</b>	<b>702,097</b>
<b>14. Other expenses</b>					
Commission on Sales	4,948	6,637	3,241	21,920	(13,432)
Rent	(3,626)	3,780	3,780	7,714	14,510
Insurance	-	151	148	452	593
Rates and taxes	-	-	-	651	-
Communication cost	-	320	210	1,360	1,835
Facility maintenance	76	160	249	733	744
Travelling and conveyance expenses	-	425	3,067	2,477	12,436
Professional and technical fees	25,147	11,497	5,450	74,217	35,878
Software Project fees	75,077	48,900	149,291	267,005	713,599
Insourcing professional fees	-	-	-	-	12,000
Net loss on sale of fixed assets scrapped	-	-	-	592	-
Impairment loss recognised on trade receivable	(21,463)	8,118	2,760	(4,120)	10,299
Net gain on foreign currency transactions and translations	2,910	(54)	(6,352)	(11,441)	10,145
Miscellaneous expenses	193	149	1,468	988	18,621
<b>Total</b>	<b>83,263</b>	<b>80,083</b>	<b>163,312</b>	<b>362,548</b>	<b>817,228</b>

Sonata Latin America S. de R.L. de C.V.  
Balance Sheet

Amounts in MXN

	Note No.	As at March 31, 2026	As at December 31, 2025	As at March 31, 2025
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	1	3,275,093	7,144,766	8,821,833
Right-of-use assets		-	-	2,265,339
Financial assets				
Other financial assets	2	5,533	5,497	178,087
Income tax assets		8,860,545	9,645,137	-
<b>Total non-current assets</b>		<b>12,141,171</b>	<b>16,795,400</b>	<b>11,265,259</b>
<b>CURRENT ASSETS</b>				
Inventories				
Financial assets				
Trade receivables	3	-	-	13,434,429
Cash and cash equivalents	3.1	1,737,585	5,362,515	3,793,411
Other financial assets	3.2	-	-	22,381
Other current assets	4	3,416,353	3,461,713	3,515,610
<b>Total current assets</b>		<b>5,153,938</b>	<b>8,824,228</b>	<b>20,765,831</b>
<b>Total assets</b>		<b>17,295,109</b>	<b>25,619,628</b>	<b>32,031,090</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share capital	5	1,000	1,000	1,000
Other equity	6	(1,795,436)	(698,915)	(496,592)
<b>Total Equity</b>		<b>(1,794,436)</b>	<b>(697,915)</b>	<b>(495,592)</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
Lease liabilities		-	-	247,578
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>247,578</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Lease liabilities		-	-	2,096,464
Trade payables	7	791,537	577,052	2,658,214
Other Financial liabilities	8	17,309,537	18,591,038	15,888,773
Other current liabilities	9	416,327	4,146,568	3,184,237
Provisions	10	572,144	3,002,885	4,393,154
Current tax liabilities	11	-	-	4,058,263
<b>Total current liabilities</b>		<b>19,089,545</b>	<b>26,317,543</b>	<b>32,279,106</b>
<b>Total equity and liabilities</b>		<b>17,295,109</b>	<b>25,619,628</b>	<b>32,031,092</b>

Sonata Latin America S. de R.L. de C.V.  
Statement of Profit and Loss

Amounts in MXN

		For the quarter ended	For the quarter ended	For the quarter ended	For the year ended	For the year ended
	Note No.	March 31, 2026	December 31, 2025	March 31, 2025	March 31, 2026	March 31, 2025
<b>REVENUE</b>						
Revenue from operations	12	8,457,610	28,540,003	31,799,137	104,052,212	142,073,033
Other income	12.1	-	182,811		182,811	-
<b>Total revenue</b>		<b>8,457,610</b>	<b>28,722,814</b>	<b>31,799,137</b>	<b>104,235,023</b>	<b>142,073,033</b>
<b>EXPENSES</b>						
Employee benefit expenses	13	4,298,672	24,445,667	29,935,865	87,462,089	114,194,086
Finance costs	14	-	18,177	63,343	107,480	225,198
Depreciation and amortization expense	1	251,007	882,962	1,032,300	3,217,046	2,677,568
Other expenses	15	4,219,857	1,617,422	1,947,253	8,345,399	12,896,720
<b>Total expenses</b>		<b>8,769,536</b>	<b>26,964,228</b>	<b>32,978,761</b>	<b>99,132,014</b>	<b>129,993,572</b>
<b>Profit before tax</b>		<b>(311,926)</b>	<b>1,758,586</b>	<b>(1,179,624)</b>	<b>5,103,009</b>	<b>12,079,461</b>
<b>Tax expense</b>						
Current tax expense		784,592	2,841,576	321,296	3,626,589	6,618,017
Deferred tax		-	-	-	-	-
Excess provision for tax relating to prior years		-	-	-	2,775,264	-
<b>Net tax expense</b>		<b>784,592</b>	<b>2,841,576</b>	<b>321,296</b>	<b>6,401,853</b>	<b>6,618,017</b>
<b>Profit for the period</b>		<b>(1,096,518)</b>	<b>(1,082,990)</b>	<b>(1,500,920)</b>	<b>(1,298,844)</b>	<b>5,461,444</b>

Sonata Latin America S. de R.L. de C.V.  
Cash Flow Statement

Amounts in MXN

	For the quarter ended March 31, 2026	For the quarter ended Dec 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before tax	(311,926)	1,758,586	(1,179,624)	5,103,009	12,079,461
Adjustments for :					
Depreciation and amortization expense	251,007	882,962	1,032,300	3,217,046	2,677,568
Excess of carrying costs over fair value of current investments					
Interest expense	-	18,177	63,343	107,480	225,198
Gain on termination of lease	-	(18,565)	-	(18,565)	
Unrealized foreign exchange (gain) / loss	332,598	(266,589)	(1,625,883)	(599,046)	786,676
(Gain) / loss on sale of fixed assets / scrapped	3,619,266			3,619,266	
<b>Operating Profit before working capital changes</b>	<b>3,890,945</b>	<b>2,374,571</b>	<b>(1,709,864)</b>	<b>11,429,190</b>	<b>15,768,903</b>
Adjustments for :					
Decrease/(increase) in trade receivables	(249,888)	2,691,795	20,694,978	12,776,346	(11,366,309)
Decrease/(increase) in other current assets	45,360	(30,840)	(321,304)	99,258	(2,562,286)
Decrease/(increase) in other financial assets	-	22,381	-	22,381	433,783
Decrease/(increase) in other non-current financial assets	36	(172,590)	-	(172,554)	(178,087)
(Decrease)/increase in trade payables	131,102	(256,444)	1,323,872	(253,237)	(202,811)
(Decrease)/increase in other current liabilities	(3,730,241)	712,326	(1,755,141)	(2,767,910)	1,842,476
(Decrease)/increase in other financial liabilities	(1,281,501)	590,270	(13,425,330)	1,420,764	6,085,092
(Decrease)/increase in short-term provisions	(2,430,741)	(1,670,347)	323,051	(3,821,010)	3,735,428
<b>Cash generated from operations</b>	<b>(3,624,928)</b>	<b>4,261,122</b>	<b>5,130,262</b>	<b>18,733,228</b>	<b>13,556,189</b>
Direct taxes/advance tax paid (net)	(0)	0	(2,559,754)	(19,320,661)	(2,559,754)
<b>Net cash from operating activities</b>	<b>(3,624,928)</b>	<b>4,261,122</b>	<b>2,570,508</b>	<b>(587,434)</b>	<b>10,996,435</b>
<b>Net cash from operating activities after exceptional item:</b>	<b>(3,624,928)</b>	<b>4,261,122</b>	<b>2,570,508</b>	<b>(587,434)</b>	<b>10,996,435</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisition of property, plant and equipment	-	-	16,643	(6,298)	(8,155,288)
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>16,643</b>	<b>(6,298)</b>	<b>(8,155,288)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of lease liability	-	(366,858)	(534,261)	(1,462,097)	(1,602,783)
Proceeds from issue of Equity shares	-	-	-	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>(366,858)</b>	<b>(534,261)</b>	<b>(1,462,097)</b>	<b>(1,602,783)</b>
Net increase/(decrease) in cash and cash equivalents	(3,624,930)	3,894,267	2,052,892	(2,055,826)	1,238,366
Opening cash and cash equivalents	5,362,515	1,468,249	1,740,518	3,793,411	2,555,045
<b>Closing cash and cash equivalents</b>	<b>1,737,585</b>	<b>5,362,515</b>	<b>3,793,411</b>	<b>1,737,585</b>	<b>3,793,411</b>
Balances with banks					
In Current accounts	1,737,585	5,362,515	3,793,411	1,737,585	3,793,411
In Deposit accounts					-
<b>Total</b>	<b>1,737,585</b>	<b>5,362,515</b>	<b>3,793,411</b>	<b>1,737,585</b>	<b>3,793,411</b>

**1 : Property, Plant and Equipment**

Amounts in MXN

	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	Office equipment	Total Tangible Assets
<b>As at April 1, 2024</b>	-	-	1,980,573	-	<b>1,980,574</b>
Additions	4,957,856	263,314	2,934,118	-	<b>8,155,288</b>
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>4,957,856</b>	<b>263,314</b>	<b>4,914,691</b>	-	<b>10,135,862</b>
<b>As at April 1, 2025</b>	<b>4,957,856</b>	<b>263,314</b>	<b>4,914,691</b>	-	<b>10,135,861</b>
Additions	-	-	-	6,298	<b>6,298</b>
Disposals/Write off	(4,957,856)	-	(11,204)	-	<b>(4,969,060)</b>
Translation adjustments	-	-	-	-	-
<b>As at March 31, 2026</b>	-	<b>263,314</b>	<b>4,903,487</b>	<b>6,298</b>	<b>5,173,099</b>

**Depreciation/ Amortization**

<b>As at April 1, 2024</b>			<b>92,750</b>	-	<b>92,750</b>
Charge for the period	433,614	22,161	765,504	-	<b>1,221,279</b>
Disposals/Write off	-	-	-	-	-
<b>As at Mar 31, 2025</b>	<b>433,614</b>	<b>22,161</b>	<b>858,253</b>	-	<b>1,314,029</b>
<b>As at April 1, 2025</b>	<b>433,614</b>	<b>22,161</b>	<b>858,253</b>	-	<b>1,314,029</b>
Charge for the period	904,976	37,599	979,116	876	<b>1,922,567</b>
Disposals/Write off	(1,338,590)	-	-	-	<b>(1,338,590)</b>
<b>As at March 31, 2026</b>	-	<b>59,760</b>	<b>1,837,370</b>	<b>876</b>	<b>1,898,006</b>

**Net Block**

<b>As at March 31, 2026</b>	-	<b>203,554</b>	<b>3,066,117</b>	<b>5,422</b>	<b>3,275,093</b>
<b>As at Mar 31, 2025</b>	<b>4,524,242</b>	<b>241,153</b>	<b>4,056,437</b>	-	<b>8,821,833</b>

Sonata Latin America S. de R.L. de C.V.  
Notes to the financial statements for the ended year 31, 2026

	Amounts in MXN		
	As at March 31, 2026	As at December 31, 2025	As at March 31, 2025
<b>2 : Other financial assets</b>			
Security deposits	5,533	5,497	178,087
<b>Total</b>	<b>5,533</b>	<b>5,497</b>	<b>178,087</b>
<b>3 : Trade receivables</b>			
Unsecured			
Considered good	-	-	13,434,429
Considered doubtful	-	-	-
	-	-	13,434,429
Less : Provision for doubtful trade receivables	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,434,429</b>
<b>3.1 : Cash and cash equivalents</b>			
Balances with banks			
In Current accounts	1,737,585	5,362,515	3,793,411
<b>Total</b>	<b>1,737,585</b>	<b>5,362,515</b>	<b>3,793,411</b>
<b>3.2 : Other financial assets</b>			
Loans and advances to employees	-	-	22,381
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22,381</b>
<b>4 : Other current assets</b>			
VAT input	3,368,533	3,318,276	3,083,450
Other recoverables	47,820	143,437	352,608
Prepaid Expenses	-	-	79,553
<b>Total</b>	<b>3,416,353</b>	<b>3,461,713</b>	<b>3,515,610</b>
<b>5 : Equity Share capital</b>			
<b>Issued, Subscribed and paid-up</b>			
\$1 par value 300,000 shares each fully paid-up	1,000	1,000	1,000
(March 31, 2025 \$1 par value 300,000 shares each fully paid-up)			
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>6 : Other equity</b>			
<b>Securities premium</b>			
<b>Surplus in Statement of Profit and Loss</b>			
Opening balance	(496,592)	(496,589)	(5,958,036)
Profit for the year	(1,298,844)	(202,326)	5,461,444
<b>Total</b>	<b>(1,795,436)</b>	<b>(698,915)</b>	<b>(496,592)</b>
<b>7 : Trade payables</b>			
Trade payables - other than acceptances	791,537	577,052	2,658,214
<b>Total</b>	<b>791,537</b>	<b>577,052</b>	<b>2,658,214</b>
<b>8 : Other Financial liabilities</b>			
Reimbursable Expenses payable to related party	14,692,608	15,223,522	15,572,811
Employee benefits payable	2,364,388	3,181,215	-
Provision for Incentive	252,541	186,301	315,962
	<b>17,309,537</b>	<b>18,591,038</b>	<b>15,888,773</b>
<b>9 : Other current liabilities</b>			
Statutory remittances	409,938	4,140,179	3,155,467
Others	6,389	6,389	28,770
<b>Total</b>	<b>416,327</b>	<b>4,146,568</b>	<b>3,184,237</b>
<b>10 : Provisions</b>			
Provision for compensated absences	572,144	3,002,885	4,393,154
<b>Total</b>	<b>572,144</b>	<b>3,002,885</b>	<b>4,393,154</b>
<b>11 : Current tax liabilities</b>			
Provision for tax	-	-	4,058,263
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,058,263</b>

Sonata Latin America S. de R.L. de C.V.

Notes to the financial statements for the ended year 31, 2026

	Amounts in MXN				
	For the quarter ended March 31, 2026	For the quarter ended December 31, 2025	For the quarter ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>12 : Revenue from operations</b>					
Revenue from software services	8,457,610	28,540,003	31,799,137	104,052,212	142,073,033
<b>Total</b>	<b>8,457,610</b>	<b>28,540,003</b>	<b>31,799,137</b>	<b>104,052,212</b>	<b>142,073,033</b>
<b>12.1 : Other income</b>					
Miscellaneous income	-	182,811	-	182,811	-
<b>Total</b>	<b>-</b>	<b>182,811</b>	<b>-</b>	<b>182,811</b>	<b>-</b>
<b>13 : Employee benefit expenses</b>					
Salaries, wages, bonus and allowances	3,227,529	20,941,248	25,228,125	72,706,804	94,666,579
Contribution to funds	687,925	3,014,827	4,107,947	12,453,529	17,188,437
Staff welfare expenses	383,218	489,592	599,793	2,301,756	2,339,070
<b>Total</b>	<b>4,298,672</b>	<b>24,445,667</b>	<b>29,935,865</b>	<b>87,462,089</b>	<b>114,194,086</b>
<b>14 : Finance costs</b>					
Interest expense - unwinding rent deposit	-	18,177	63,343	107,480	225,198
<b>Total</b>	<b>-</b>	<b>18,177</b>	<b>63,343</b>	<b>107,480</b>	<b>225,198</b>
<b>15 : Other expenses</b>					
Power and fuel	7,635	-	120,000	222,562	360,000
Rent	17,735	-	-	(8,980)	-
Repairs and maintenance - Machinery	-	-	15,526	-	242,779
Insurance	-	8,267	9,206	25,396	9,206
Rates and taxes	-	-	-	-	34,204
Communication cost	143,850	150,491	151,036	595,287	322,023
Facility maintenance	93,056	-	420,740	398,348	726,032
Travelling and conveyance expenses	-	-	60,378	-	153,820
Professional and technical fees	301,408	1,277,790	943,017	3,539,132	4,257,048
Insourcing professional fees	-	-	(40,004)	-	-
Net loss on foreign currency transaction and translation	74,151	174,854	297,219	(131,098)	2,779,958
Net loss on fixed assets sold / scrapped	3,619,266	-	-	3,619,266	-
Recruitment	(148,361)	(155,039)	(53,285)	(313,358)	3,828,754
Miscellaneous expenses	111,117	161,059	23,420	398,844	182,896
<b>Total</b>	<b>4,219,857</b>	<b>1,617,422</b>	<b>1,947,253</b>	<b>8,345,399</b>	<b>12,896,720</b>