B S R & Co. LLP
Chartered Accountants

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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 2025, 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 2025, 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.

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

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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 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 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 38 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.

   As stated in the Note 33 to the 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 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.

   Additionally, based on our examination, where audit trail (edit log) facility was enabled and operated in the previous year at the application layer, the audit trail has been preserved by the Company 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 software relating to recording of time by the Company's resources as part of the Revenues 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 database layer for all relevant transactions recorded in such software.

   Additionally, based on our examination, where the audit trail (edit log) facility was enabled and operated in the previous year at the application layer, the audit trail has not been preserved by the Company as per the statutory requirements for record retention.

   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.

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

Membership No.: 522796

ICAI UDIN:25522796BNUJED4672

Place: Bengaluru

Date: 05 May 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2025

(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 every year. In accordance with this programme, all 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 not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made in Subsidiary during the year are not prejudicial to the interest of the Company.

(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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion 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, 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 Employee State Insurance and 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, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2025 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, 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 explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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

Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2025 *(Continued)*

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.

(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

Annexure A to the Independent Auditor's Report on the Financial Statements of Sonata Software Solutions Limited for the year ended 31 March 2025 *(Continued)*

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

Membership No.: 522796

ICAI UDIN:25522796BNUJED4672

Place: Bengaluru

Date: 05 May 2025

Annexure B to the Independent Auditor's Report on the financial statements of Sonata Software Solutions Limited for the year ended 31 March 2025

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 2025 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 2025, 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 2025 *(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
Membership No.: 522796
ICAI UDIN:25522796BNUJED4672

Place: Bengaluru
Date: 05 May 2025

SONATA SOFTWARE SOLUTIONS LIMITED

Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	757	1,311
Right-of-use assets	35	2,519	2,748
Financial assets	4		
Investments	4.1	26	-
Other financial assets	4.2	257	261
Deferred tax assets (net)	15B	3,723	3,416
Income tax assets (net)	15A	77	332
Other non-current assets	5	6	19
Total non-current assets		**7,365**	**8,087**
Current assets			
Financial assets	6		
Investments	6.1	2,032	-
Trade receivables	6.2	11,478	5,132
Cash and cash equivalents	6.3	181	117
Bank balances other than above	6.4	-	2,473
Other financial assets	6.5	96	99
Other current assets	7	61	70
Total current assets		**13,848**	**7,891**
Total assets		**21,213**	**15,978**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1	1
Other equity	9	16,981	12,134
Total equity		**16,982**	**12,135**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	10	2,905	2,990
Total non-current liabilities		**2,905**	**2,990**
Current liabilities			
Financial liabilities	11		
Lease liabilities	11.1	379	363
Trade payables	11.2		
Total outstanding dues of micro enterprises and small enterprises		-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises		38	110
Other financial liabilities	11.3	562	198
Other current liabilities	12	74	82
Provisions	13	83	48
Current tax liabilities (net)	14	190	51
Total current liabilities		**1,326**	**853**
Total equity and liabilities		**21,213**	**15,978**
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 : May 05, 2025

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 05, 2025

Suresh H P
Director
DIN: 10124549

Place : Bengaluru
Date : May 05, 2025

SONATA SOFTWARE SOLUTIONS LTD.
Bengaluru
560 059

SONATA SOFTWARE SOLUTIONS LIMITED

Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	16.1	15,565	14,335
Other income	16.2	207	371
Total income		**15,772**	**14,706**
EXPENSES			
Employee benefits expense	17	5,654	5,487
Finance costs	18	316	322
Depreciation and amortization expense	19	879	901
Other expenses	20	656	651
Total expenses		**7,505**	**7,361**
Profit before tax		**8,267**	**7,345**
Tax expense			
Current tax	15A	1,444	1,287
Deferred tax	15A & 15B	(310)	(1,287)
Net tax expense		**1,134**	-
Profit for the year		**7,133**	**7,345**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		5	(13)
(b) Income tax relating to items that will not be reclassified to profit/(loss)	15A & 15B	(1)	-
		4	**(13)**
2. Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge		12	3
(b) Income tax relating to items that will be reclassified to profit/(loss)	15A & 15B	(2)	-
		10	**3**
Total other comprehensive income for the year, net of tax		**14**	**(10)**
Total comprehensive income for the year		**7,147**	**7,335**
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	31	71,324	73,450
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 : May 05, 2025

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 05, 2025

Suresh H P
Director
DIN: 10124549

Place : Bengaluru
Date : May 05, 2025

SONATA SOFTWARE SOLUTIONS LTD. Bengaluru 560 050

SONATA SOFTWARE SOLUTIONS LIMITED
Statement of changes in equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 8)	As at March 31, 2025	As at March 31, 2024
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	-	-
Balance at the end of the year	**1**	**1**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and surplus		Effective portion of cash flow hedges	Total Other equity
	Retained earnings	Remeasurement of the defined benefit plans		
Balance as at April 1, 2023	**13,619**	**(12)**	**(8)**	**13,599**
Profit for the year	7,345			7,345
Other comprehensive income (net of tax)	-	(13)	3	(10)
Total comprehensive income for the year	**7,345**	**(13)**	**3**	**7,335**
Transactions with owners of the Company				
Contributions and distributions				
Payment of cash dividends	(8,800)	-	-	(8,800)
Balance as at March 31, 2024	**12,164**	**(25)**	**(5)**	**12,134**
Balance as at April 1, 2024	**12,164**	**(25)**	**(5)**	**12,134**
Profit for the year	7,133	-	-	7,133
Other comprehensive income (net of tax)	-	4	10	14
Total comprehensive income for the year	**7,133**	**4**	**10**	**7,147**
Transactions with owners of the Company				
Contributions and distributions				
Payment of cash dividends	(2,300)	-	-	(2,300)
Balance as at March 31, 2025	**16,997**	**(21)**	**5**	**16,981**

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
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Date : May 05, 2025

SONATA SOFTWARE SOLUTIONS LTD.
Bengaluru
560 059

SONATA SOFTWARE SOLUTIONS LIMITED
Statement of Cash Flows

₹ in Lakhs

		For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		8,267	7,345
Adjustments for :			
Depreciation and amortization expense		879	901
Finance costs		316	322
Impairment (gain)/loss recognized on trade receivable		-	23
Interest on Income-tax refund		(13)	-
Interest from fixed deposits with banks		(176)	(109)
Net gain on current investments		(18)	(69)
Unrealized foreign exchange (gain)/loss (net)		26	(60)
Operating cash flows before movements in working capital		**9,281**	**8,353**
Changes in operating assets and liabilities:			
Decrease/(increase) in trade receivables		(6,385)	1,110
Decrease/(increase) in other financial assets - current		68	(90)
Decrease/(increase) in other financial assets non-current		4	(4)
Decrease/(increase) in other non-current assets		14	(14)
Decrease/(increase) in other current assets		8	(35)
Decrease in trade payables		(98)	(86)
Increase in other financial liabilities		438	79
Decrease in other current liabilities		(4)	(24)
(Decrease)/increase in provisions		35	(7)
Net cash flow from operating activities before taxes		**3,361**	**9,282**
Income taxes paid (net of refunds)		(1,037)	(1,604)
Net cash flow from operating activities	**(A)**	**2,324**	**7,678**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including capital work-in-progress and capital advances		(185)	(314)
Investments in subsidiary		(26)	-
Purchase of investments		(5,021)	(11,867)
Proceeds from sale of investments		3,007	15,588
Inter corporate loan given		-	(5,300)
Inter corporate loan recovered		-	5,300
(Investment) / redemption in bank deposits		2,400	(2,400)
Interest received		249	36
Net cash flow from investing activities	**(B)**	**424**	**1,043**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Payment on lease liabilities		(383)	(365)
Inter corporate borrowings taken		408	250
Inter corporate borrowings repaid		(408)	(250)
Payment of dividend		(2,300)	(8,800)
Interest paid		(2)	(1)
Net cash used in financing activities	**(C)**	**(2,685)**	**(9,166)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**63**	**(445)**
Opening cash and cash equivalents		117	551
Exchange difference on translation of foreign currency cash and cash equivalents.		1	11
Closing cash and cash equivalents		**181**	**117**
Cash and cash equivalents at the end of the year comprises: (refer note 6.3)			
Balances with banks			
In current accounts		181	98
In EEFC accounts		-	19
		181	**117**

Refer note 35 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 : May 05, 2025

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 05, 2025

Suresh H P
Director
DIN: 10124549

Place : Bengaluru
Date : May 05, 2025

SONATA SOFTWARE SOLUTIONS LTD. Bengaluru 560 059

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 05, 2025.

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 is included in the following notes:

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.

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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 it 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 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 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 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.

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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 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.

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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).

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. 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.

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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 administers 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.

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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.

Long-term employee benefits
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.

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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.

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

a) Time and materials contracts

Revenues from contracts priced on a time and material basis are recognized when services are rendered 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.

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.

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.

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.

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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 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 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").

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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 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.

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 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes to the financial statements for the year ended March 31, 2025

3 . Property, plant and equipment

₹ in Lakhs

Tangible assets					
Particulars	**Office equipments**	**Leasehold improvements**	**Furniture and fixtures**	**Plant and equipments**	**Total**
Cost					
As at April 1, 2023	**254**	**829**	**175**	**635**	**1,893**
Additions	21	50	16	266	353
Disposal / Write off	-	-	-	-	-
Translation difference	-	-	-	-	-
As at March 31, 2024	**275**	**879**	**191**	**901**	**2,246**
As at April 1, 2024	**275**	**879**	**191**	**901**	**2,246**
Additions	2	-	-	94	96
Disposal / Write off	-	-	-	(3)	(3)
Translation difference	-	-	-	-	-
As at March 31, 2025	**277**	**879**	**191**	**992**	**2,339**
Accumulated Depreciation					
As at April 1, 2023	**22**	**48**	**9**	**184**	**263**
Depreciation charge during the year	110	270	45	247	672
Depreciation on disposals / write off	-	-	-	-	-
Translation difference	-	-	-	-	-
As at March 31, 2024	**132**	**318**	**54**	**431**	**935**
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	-	-	-	-	-
As at March 31, 2025	**197**	**590**	**89**	**706**	**1,582**
Net carrying value					
As at March 31, 2025	**80**	**289**	**102**	**286**	**757**
As at March 31, 2024	**143**	**561**	**137**	**470**	**1,311**

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₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
4. Non-current financial assets		
4.1 : Investments		
Non Trade, Long-term, unquoted and at cost		
In subsidiary companies		
Investment in equity instruments (Unquoted)		
1,500,000 Equity shares of 1 EGP each in Sonata Software Solutions - Egypt (As at March 31, 2024 - Nil)	26	-
Total	**26**	**-**
Aggregate carrying amount of unquoted investments	26	-
Aggregate amount of impairment in value of investments	-	-
Investments carried at cost	26	-

The Company is exempted from preparation of consolidated financial statement as per second proviso to Rule 6 of Companies (Accounts) Rules, 2014, amended via Companies (Accounts) Amendment Rules, 2016 notified vide Notification dated 27.07.2016 as the Company's Ultimate Holding Company files consolidated financial statements with the Registrar. The Ultimate Holding Company i.e., Sonata Software Limited, which is incorporated and having principal place of business in India, is preparing consolidated financial statements which has been produced for public use. The consolidated financial statements are available at Sonata Towers Global village, RVCE Post Mysore Road, Rv Niketan, Bangalore - 560059.

	As at March 31, 2025	As at March 31, 2024
4.2 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Security deposits	257	257
Other assets	-	4
Total	**257**	**261**
5 : Other non-current assets		
Unsecured, considered good		
Prepaid expenses	6	19
Total	**6**	**19**

6. Current financial assets

6.1 : Investments

Investments carried at fair value through profit and loss: **Investments in mutual funds (Traded, quoted)**	As at March 31, 2025		As at March 31, 2024	
	No of Units	**₹ in Lakhs**	**No of Units**	**₹ in Lakhs**
Sundaram Liquid Fund - Regular Plan - Growth	89,661	2,032	-	-
Total		**2,032**		**-**
Aggregate book value of quoted investments		2,032		-
Aggregate market value of quoted investments		2,032		-
Aggregate amount of impairment in value of investments		-		-
Investments carried at fair value through profit or loss		2,032		-
Investments carried at amortised cost		-		-

	As at March 31, 2025	As at March 31, 2024
6.2 : Trade receivables (Carried at amortised cost, unless otherwise stated)		
Unsecured *		
Billed		
Considered good	11,501	5,155
Less : Allowances for credit losses	(23)	(23)
Total	**11,478**	**5,132**

* No trade 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. For the amounts receivable from related parties refer note 34.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables is included in note 27.

Trade receivable ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
Undisputed trade receivables - considered good	182	8,108	3,211	-	-	-	11,501
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Less : Allowance for credit losses	(1)	(21)	(1)	-	-	-	(23)
Total	**181**	**8,087**	**3,210**	**-**	**-**	**-**	**11,478**
As at March 31, 2024							
Undisputed trade receivables - considered good	1,596	3,538	21	-	-	-	5,155
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Less : Allowance for credit losses	(1)	(21)	(1)	-	-	-	(23)
Total	**1,595**	**3,517**	**20**	**-**	**-**	**-**	**5,132**

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Notes to the financial statements for the year ended March 31, 2025

₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
6.3 : Cash and cash equivalents		
Balances with banks		
In current accounts	181	98
In EEFC accounts	-	19
Total	**181**	**117**
6.4 : Bank balances other than above		
Bank deposits with original maturity of more than three months but less than 12 months	-	2,473
Total	**-**	**2,473**
6.5 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Reimbursement of expenses recoverable from related party (Refer note 34)	6	10
Security deposits	3	3
Fair value of forward contracts (Refer note 25 & 26)	70	8
Other assets	17	78
Total	**96**	**99**

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

	As at March 31, 2025	As at March 31, 2024
7 : Other current assets		
Unsecured, considered good		
Advances to employees	1	7
Prepaid expenses	25	26
Balances with government authorities		
GST credit receivable	21	16
Other recoverables	14	21
Total	**61**	**70**
8 : Equity share capital		
Authorized		
150,000 equity shares of face value ₹ 10/- each (As at March 31, 2024 - 150,000 equity shares of face value ₹ 10/- each)	**15**	**15**
Issued		
10,000 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2024 - 10,000 equity shares of face value ₹ 10/- each)	**1**	**1**
Subscribed and paid-up		
10,000 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2024 - 10,000 equity shares of face value ₹ 10/- each)	1	1
Total	**1**	**1**
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	As at March 31, 2025		As at March 31, 2024	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
Number of shares outstanding at the beginning of the year	10,000	1	10,000	1
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	**10,000**	**1**	**10,000**	**1**

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	10,000	10,000
% of holding	100	100

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₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
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	10,000	10,000
% of holding	100	100
v) Details of shares held by each promoter		
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	10,000	10,000
% of holding	100	100

vi) Distributions of dividend

During the year ended March 31, 2025, on account of final dividend for fiscal 2024 the Company has incurred a net cash outflow of ₹ 2,300 lakhs. (During the year ended March 31, 2024, on account of final dividend for fiscal 2023 the Company has incurred a net cash outflow of ₹ 4,400 lakhs and interim dividend of ₹ 4,400 lakhs for fiscal 2024).

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	12,164	13,619
Profit for the year	7,133	7,345
Less :		
Dividend paid	(2,300)	(8,800)
Closing balance	**16,997**	**12,164**

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

Remeasurement of the defined benefit plans		
Opening balance	(25)	(12)
For the year, (net of tax)	4	(13)
Closing balance	**(21)**	**(25)**

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 comprehensive income.

Effective portion of cash flow hedges		
Opening balance	(5)	(8)
Exchange differences on cash flow hedges, (net of tax)	10	3
Closing balance	**5**	**(5)**

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	**16,981**	**12,134**

Non-current liabilities

10 : Lease liabilities

Lease liabilities (Refer note 35)	2,905	2,990
Total	**2,905**	**2,990**

11. Current financials liabilities

11.1 : Lease liabilities

Lease liabilities (Refer note 35)	379	363
Total	**379**	**363**

11.2 : Trade payables

Trade payables		
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 24)	-	1
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	38	110
Total	**38**	**111**

* 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

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Notes to the financial statements for the year ended March 31, 2025

	As at March 31, 2025	As at March 31, 2024
		₹ in Lakhs

Trade payables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Accrued expenses	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
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	-	-	-	-	-	-	-
Total	**29**	**1**	**8**	**-**	**-**	**-**	**38**
As at March 31, 2024							
Total outstanding dues of micro enterprises and small enterprises	-	-	1	-	-	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	83	8	17	1	1	-	110
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**83**	**8**	**18**	**1**	**1**	**-**	**111**

11.3 : Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Payable on acquisition of property, plant and equipment (Refer note 34)	18	107
Employee benefits payable	149	-
Reimbursable expenses payable to related party (Refer note 34)	372	81
Fair value of forward contracts (Refer note 25 & 26)	23	10
Total	**562**	**198**

12 : Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Gratuity payable (net) (Refer note 29)	-	18
Other payables		
Statutory remittances	72	62
Other liabilities	2	2
Total	**74**	**82**

13 : Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits - Compensated absences (Refer note 29)	66	48
Provision for gratuity (Refer note 29)	17	-
Total	**83**	**48**

14 : Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax ₹ 2,943 (for March 31, 2024 is ₹ 1,638))	190	51
Total	**190**	**51**

₹ in lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024

15A: Income taxes

The income tax asset is ₹ 77 Lakhs (net of provision for tax of ₹ 1,989 Lakhs) as at March 31, 2025 and ₹ 332 Lakhs (net of provision for tax of ₹ 1,989 Lakhs) as at March 31, 2024

(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	1,444	1,287
Deferred Tax:		
In respect of current year	(310)	(1,287)
Total Income tax expense recognised in the statement of profit and loss	**1,134**	**-**
(b) Income tax recognised in other Comprehensive income consists of:		
Deferred tax related to items recognised in other comprehensive income during the year:		
On remeasurement of defined benefit plan	(1)	-
On net movement on effective portion of cash flow hedges	(2)	-
Total	**(3)**	**-**

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	8,267	7,345
Enacted income tax rate in India	27.82%	27.82%
Computed expected tax expense	2,300	2,043
Effect of:		
Income exempt from tax	(1,230)	(2,043)
Expenses that are not deductible in determining taxable profit	20	-
Others	44	-
Income tax expense recognised in the statement of profit and loss	**1,134**	**-**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 is 27.82% (year ended March 31, 2024 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 2024-25 (The Company was eligible for 100% deduction under normal computation in the financial year 2023-24). 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.

15B : Deferred tax assets (net)

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	-	96	-	96
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
Total	**3,416**	**310**	**(3)**	**3,723**

Deferred tax assets / (liabilities) as at March 31, 2024 in relation to:

₹ in lakhs

Particulars	As at April 1, 2023	Recognized in profit & loss	Recognized in other comprehensive income	As at March 31, 2024
MAT credit entitlement	2,128	1,287	-	3,415
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	1	-	-	1
Total	**2,129**	**1,287**	**-**	**3,416**

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Notes to the financial statements for the year ended March 31, 2025

₹ in Lakhs

	For the year ended March 31, 2025	For the year ended March 31, 2024
16.1 : Revenue from operations		
Revenue from software services (Refer note 21)	15,565	14,335
Total	**15,565**	**14,335**
16.2 : Other income		
Interest income*	176	109
Net gain on investments carried at fair value through profit or loss	18	69
Net gain on derivatives carried at fair value through profit or loss	(82)	111
Net gain/(loss) on foreign currency transactions	82	81
Other non-operating income		
Interest income on Income tax refund	13	-
Miscellaneous income	-	1
Total	**207**	**371**
*Interest income comprises of:		
Interest on bank balances and bank deposits	176	80
Interest on financial assets carried at amortised cost	-	29
17 : Employee benefits expense		
Salaries, wages and bonus	5,312	5,164
Contributions to provident and other funds (Refer note 29)	293	282
Staff welfare expenses	49	41
Total	**5,654**	**5,487**
18 : Finance costs		
Interest expense on:		
Inter corporate borrowings (Refer note 34)	2	1
Lease rental discounted (Refer note 35)	314	320
Other borrowing costs	-	1
Total	**316**	**322**
19 : Depreciation and amortization expense		
Depreciation of property, plant and equipment (Refer note 3)	650	672
Depreciation of right on use assets (Refer note 35)	229	229
Total	**879**	**901**
20 : Other expenses		
Power and fuel	48	48
Rent	51	44
Repairs and maintenance - Buildings	-	16
Repairs and maintenance - Machinery	7	10
Insurance	92	69
Rates and taxes	5	13
Communication cost	47	42
Facility maintenance	135	139
Travelling and conveyance expenses	32	15
Professional and technical fees	50	57
Insourcing professional fees	1	28
Software license fees	6	18
Expenditure on corporate social responsibility (Refer note 32)	137	92
Payments to auditors (refer note below)	9	8
Impairment loss/(gain) recognized on trade receivable	-	23
Miscellaneous expenses	36	29
Total	**656**	**651**
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	7	7
Reimbursement of expenses	-	1
Other services	2	-
	9	**8**

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Notes to the financial statements for the year ended March 31, 2025

21 Revenue from software services

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

₹ in lakhs

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	India	Other than India	India	Other than India
Time and material (over the period)	-	15,565	-	14,335
Total	-	**15,565**	-	**14,335**

22 Capital commitments

₹ in lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided	-	2

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, 2025 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:

₹ in lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	1
(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	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

25 Financial instruments

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
Financial assets					
Security deposits	4.2 & 6.5	-	-	260	260
Investment in mutual fund (quoted)	6.1	2,032	-	-	2,032
Trade receivables	6.2	-	-	11,478	11,478
Cash and cash equivalents	6.3	-	-	181	181
Other financial assets	6.5	-	-	23	23
Forward contracts	6.5	44	26	-	70
Total assets		**2,076**	**26**	**11,942**	**14,044**
Financial liabilities					
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
Total liabilities		**3**	**20**	**3,861**	**3,884**

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The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

₹ in lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets					
Security deposits	4.2	-	-	257	257
Trade receivable	6.2	-	-	5,132	5,132
Cash and cash equivalents	6.3	-	-	117	117
Bank balance other than above	6.4	-	-	2,473	2,473
Other financial assets	4.2 & 6.5	-	-	95	95
Forward contracts	6.5	4	4	-	8
Total		**4**	**4**	**8,074**	**8,082**
Financial liabilities					
Trade payables	11.2	-	-	111	111
Lease liabilities	10 & 11.1	-	-	3,353	3,353
Other financial liabilities	11.3	-	-	188	188
Forward contracts	11.3	-	10	-	10
Total		**-**	**10**	**3,652**	**3,662**

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, inter corporate deposits, borrowings and other financials 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 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.

2. 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, 2025, 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.

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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, 2025 and March 31, 2024.

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

₹ in lakhs

Particulars	Fair value as at		Fair value hierarchy
	As at March 31, 2025	As at March 31, 2024	
Investment in mutual funds - Refer note 6.1	2,032	-	Level 1
Foreign currency forward contracts (assets) - Refer note 6.5	70	8	Level 2
Foreign currency forward contracts (liabilities) - Refer note 11.3	23	10	Level 2

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:

₹ in lakhs

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	12	3
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	-	-

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

₹ in lakhs

Particulars	Year ended	
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	(5)	(8)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	12	3
Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	-	-
Deferred tax liability	(2)	-
Cash flow hedging reserve (net of tax)	5	(5)

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

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Amount in lakhs		₹ in Lakhs	
Designated derivative instruments (Sell):				
In USD	70	141	6,098	11,861

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The foreign exchange forward contracts mature anywhere upto 18 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Amount in lakhs		₹ in Lakhs	
Designated derivative instruments (Sell):				
Less than 3 months				
In USD	29	27	2,530	2,260
More than 3 months				
In USD	41	114	3,568	9,601

Average rate of coverage	As at March 31, 2025		As at March 31, 2024	
	Amount in Lakhs	Weighted average rate (₹)	Amount in Lakhs	Weighted average rate (₹)
USD	70	87.10	141	84.12

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, 2025						
USD	3,824	86.90	1,602	86.57	672	89.60
As at March 31, 2024						
USD	3,309	83.78	8,211	84.27	341	85.13

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 outstanding accounts receivable. The maximum exposure to credit risk is 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, 2025 is considered adequate.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customers having more than 10% of total revenue	14,550	13,849
Number of customers	2	2

Geographic concentration of credit risk

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	India	Other than India	India	Other than India
Trade receivables (Billed)	-	11,501	-	5,155
Allowance for credit loss	-	23	-	23
% of credit loss to trade receivables	-	0.20%	-	0.45%

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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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	23	40
Allowance for expected credit loss (net)	-	23
Bad debts written off during the year	-	(40)
Balance at the end of the year	**23**	**23**

Subsequent to the balance sheet date, the Company has made necessary application 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

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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	181	117
Bank balances other than above	-	2,473
Investments in mutual funds (quoted)	2,032	-
Trade receivables	11,478	5,132
Other current financial assets	26	95
Derivative financial instruments - cash flow hedge	70	8
Other current assets	61	70

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and as at March 31, 2024:

₹ in Lakhs

Particulars	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	-	-

Particulars	As at March 31, 2024		
	Less than 1 year	1-2 years	2 years & above
Trade payables	111	-	-
Lease liabilities	382	399	5,121
Other financial liabilities	188	-	-
Derivative financial instruments - cash flow hedge	10	-	-

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.

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Notes to the financial statements for the year ended March 31, 2025

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

₹ in Lakhs

Particulars	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

₹ in Lakhs

Particulars	As at March 31, 2024				For the year ending March 31, 2024		
	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	11,861	8	10	Fair value of forward contracts under other financial assets and other financial liabilities.	3	111	Other income

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 ₹ 61 lakhs increase and decrease in the Company's net profit as at March 31, 2025;

b) an approximately ₹ 119 lakhs increase and decrease in the Company's net profit as at March 31, 2024;

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2025 and as at March 31, 2024.

₹ in Lakhs

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

Exposure currency	USD	GBP	EUR	Other currencies*
As at March 31, 2024				
Assets				
Trade receivables	4,780	195	156	24
Cash and Cash equivalents	12	1	6	-
Liabilities				
Trade payable	-	-	6	-
Net assets/(liabilities)	**4,792**	**196**	**156**	**24**

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

A reasonably possible strengthening by 1% of USD, GBP, EUR and other currencies against the Indian Rupee as at March 31, 2025 and March 31, 2024 will affect the statement of profit and loss by the amounts shown below:

₹ in Lakhs

Currencies	March 31, 2025	March 31, 2024
USD	105	48
GBP	7	2
EUR	2	2
Other currencies	2	-
Total	**116**	**52**

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.

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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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	16,982	12,135
As percentage of total capital	84%	78%
Total borrowings	-	-
Total lease liabilities	3,284	3,353
Total borrowings and lease liabilities	**3,284**	**3,353**
As a percentage of total capital	16%	22%
Total capital (borrowings and equity)	**20,266**	**15,488**

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

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 ₹ 105 lakhs (for the year ended March 31, 2024 ₹ 144 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:

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Superannuation (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	61	84
National Pension Scheme (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	6	7
Other defined contribution plans (as part of contribution to provident fund and other funds in Note 17 Employee benefits expense)	75	5

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.

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As per valuation

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.82%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	6.82%	7.20%
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	4.37 years	6 years

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

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service Cost:		
Current service cost	45	40
Net interest expense	1	2
Components of defined benefit costs recognised in profit or loss	**46**	**42**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(4)	13
Actuarial (gains) / losses arising from changes in financial assumptions	5	2
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	(6)	(2)
Components of defined benefit costs recognised in other comprehensive income	**(5)**	**13**

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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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	(171)	(118)
Fair value of plan assets	154	100
Net (liability) / assets arising from defined benefit obligation	**(17)**	**(18)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	118	72
Current service cost	45	40
Interest cost	9	6
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	5	2
Actuarial (gains) / losses arising from experience adjustments	(6)	(2)
Closing defined benefit obligation	**171**	**118**
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	100	49
Interest income	8	4
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions from the employer to Gratuity fund	42	60
Benefits paid	-	-
Return on plan assets, excluding interest income	4	(13)
Closing fair value of plan assets	**154**	**100**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Insurer managed funds	100%	100%
Category of funds:		
Secure fund	48.91%	49.00%
Defensive fund	24.80%	25.00%
Balanced fund	26.28%	26.00%
Stable fund	0.00%	0.00%

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13)	15	(9)	11
Future salary growth (1% movement)	16	(14)	11	(10)
Employee turnover rate (1% movement)	(1)	1	(2)	2

The Company expects to contribute ₹ 66 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

Particulars	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	171	118	72	33
Fair value of plan assets	154	100	50	27
Surplus / (deficit)	(17)	(18)	(23)	(6)
Experience adjustments on plan liabilities - (gain)/losses	(6)	(2)	10	12
Return on plan assets, excluding interest income	4	(13)	(1)	-

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	2	-
1-2 years	15	1
2-3 years	20	12
3-4 years	20	15
4-5 years	23	15
5 years and Above	260	208

The Company 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	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.82%	7.20%
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%

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current liability	66	48
Present value of compensated absences	**66**	**48**

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2)	2	(3)	3
Future salary growth (1% movement)	2	(2)	3	(3)
Withdrawal rate (1% movement)	(2)	3	(3)	4

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	5	9
1-2 years	4	7
2-3 years	3	5
3-4 years	3	5
4-5 years	4	4
5 years and above	11	18

30 Segment reporting

The Company is engaged in the business of providing Information Technology Services and Solutions to its customers outside India which constitutes a single business segment. The Company's operations outside India 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. 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	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax attributable to equity shareholders (a)	7,133	7,345
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)	71,324	73,450
Diluted earning per share (a/c) (₹ in INR)	71,324	73,450

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 during the year is ₹ 137 lakhs (Previous year is ₹ 93 lakhs).
(ii) Amount spent during the year is ₹ 139 lakhs (Previous year is ₹ 92 lakhs).

₹ in Lakhs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	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	139	-	139	92	-	92
Total	**139**	**-**	**139**	**92**	**-**	**92**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	-	(1)
Add: Amount required to be spent during the year	137	93
Less: Amount spent during the year	139	92
Closing balance [short / (excess) spent]	**(2)**	**-**

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Notes to the financial statements for the year ended March 31, 2025

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

The Board of Directors at their meeting held on May 05, 2025 had declared an 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 May 06, 2024 had declared an final dividend of 230,000% (₹ 23,000/- per equity share of par value of ₹ 10 each).

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. 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 (from May 2, 2023) Mr. Satish Kumar Nuggu, Director (from May 2, 2023)

ii) Transactions with related parties :

₹ in lakhs

Particulars	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Rendering of services				
Sonata Software North America Inc.		12,789		10,934
Sonata Europe Limited		1,762		2,915
Sonata Australia Pty Ltd		558		138
Sonata Software Intercontinental limited		224		237
Sonata Software Canada Limited		73		52
Encore Software Services, Inc.		120		48
Quant Systems Inc.		39		11
Purchase of Software products, licenses and Project Fees				
Sonata Information Technology Limited		-		30
Purchase of property, plant and equipment				
Sonata Software Limited	16		-	
Reimbursement of expenses received				
Sonata Software Limited	-		11	
Sonata Software North America Inc.		3		1
Sonata Europe Limited		3		
Reimbursement of expenses paid				
Sonata Software Limited	10		38	
Sonata Information Technology Limited		-		27
Sonata Software North America Inc.		7		14
Sonata Europe Limited		295		32

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SONATA SOFTWARE SOLUTIONS LIMITED

Notes to the financial statements for the year ended March 31, 2025

Inter-corporate loans given				
Sonata Information Technology Limited		-		5,300
Inter-corporate loans recovered				
Sonata Information Technology Limited		-		5,300
Inter-corporate borrowings received				
Sonata Information Technology Limited		408		250
Inter-corporate borrowings repaid				
Sonata Information Technology Limited		408		250
Interest Income on Inter-corporate borrowings				
Sonata Information Technology Limited		-		28
Interest expense on Inter-corporate borrowings				
Sonata Information Technology Limited		2		1
Dividend paid				
Sonata Software Limited	2,300		8,800	

₹ in lakhs

Particulars	Holding Company	Fellow Subsidiaries	Holding Company	Fellow Subsidiaries
	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
Balances outstanding at the end of the year				
Trade receivables (Gross carrying amount)				
Sonata Software North America Inc.		10,407		4,722
Sonata Europe Limited		655		195
Sonata Australia Pty Ltd		172		15
Encore Software Services, Inc.		-		48
Quant Systems Inc.		51		10
Sonata Software Intercontinental Limited		210		156
Sonata Software Canada Limited		6		9
Payable on acquisition of property, plant and equipment				
Sonata Software Limited	16		-	
Reimbursement of expenses receivable				
Sonata Software Limited	-		6	
Sonata Software North America Inc.		6		1
Sonata Information Technology Limited		-		3
Reimbursement of expenses payable				
Sonata Software Limited	10		35	
Sonata Software North America Inc.		-		14
Sonata Information Technology Limited		5		-
Sonata Europe Limited		357		32

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

₹ in lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
1) Sonata Information Technology Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	-	3,600

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%. Inter corporate loans represent amounts lent to the fellow Subsidiary for meeting working capital requirements. The loan has been completely repaid during the year.

3. Outstanding balance at year end are unsecured and settlement occurs in cash.

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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 March 31, 2025	As at March 31, 2024
	Buildings	Buildings
Balance at the beginning	2,748	2,977
Additions	-	-
Deletion	-	-
Depreciation for the year	(229)	(229)
Balance at the end of the year	**2,519**	**2,748**

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	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	3,353	3,398
Non-cash changes		
Additions	-	-
Finance cost accrued during the year	314	320
Deletions	-	-
Cash changes		
Payment of lease liabilities	(383)	(365)
Balance at the end of the year	**3,284**	**3,353**

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

₹ in lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	379	363
Non-current lease liabilities	2,905	2,990
Total	**3,284**	**3,353**

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 March 31, 2025	As at March 31, 2024
Not later than one year	399	382
Later than one year and not later than 5 years	1,783	1,706
Later than 5 years	3,338	3,814

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 March 31, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year (Refer note 18)	314	320
Depreciation on ROU assets (Refer note 19)	229	229
Rent expense pertaining to short-term lease (Refer note 20)*	51	44
Total	**594**	**593**

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

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Notes to the financial statements for the year ended March 31, 2025

36. The table below provides financial ratios:

Ratio/Measure	Methodology	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance
Current ratio	Current assets over current liabilities	10.44	9.25	12.89%
Debt-equity ratio[1]	Debt over total shareholders equity	0.19	0.28	(30.01%)
Debt service coverage ratio	EBITDA over current debt	13.61	12.51	8.85%
Return on equity ratio	PAT over total average equity	0.49	0.57	(14.17%)
Trade receivable turnover ratio[2]	Revenue from operations over trade receivables	1.87	2.79	(32.90%)
Trade payable turnover ratio[3]	Adjusted expenses over trade payables	84.70	55.30	53.17%
Net capital turnover ratio	Revenue from operations over working capital	1.53	1.94	(20.84%)
Net profit ratio	Net profit over revenue	0.46	0.51	(10.56%)
Return on capital employed	EBIT over capital employed	0.44	0.52	(15.29%)
Return on investment[4]	Interest income, net gain on sale of investments and net fair value gain over weighted average investments.	0.02	0.03	(43.58%)

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%:

[1] Debt - equity ratio is decreased on account of increase in retained earnings driven by profits during the financial year 2024-25

[2] Trade receivable turnover ratio is decreased on account of net increase in trade receivables during the financial year 2024-25

[3] Trade payable turnover ratio is increased on account of net decrease in trade payables during the financial year 2024-25

[4] Return on investment is reduced due to decrease in average investments and decrease in gain on investments during the financial year 2024-25

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.

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Notes to the financial statements for the year ended March 31, 2025

(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 2025.

(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 05, 2025

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

Jagannathan CN
Director
DIN: 08255902

Place : Bengaluru
Date : May 05, 2025

Suresh H P
Director
DIN: 10124549

Place : Bengaluru
Date : May 05, 2025

SONATA SOFTWARE SOLUTIONS LTD.
Bengaluru
560 059

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Quant Cloud Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quant Cloud Solutions Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, 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 2025, 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.

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 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 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 37 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 37 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 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:

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.

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

IIn 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 software relating to recording of time by the Company's resources as part of the Revenues 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 database layer for all relevant transactions recorded in such software.

Additionally, based on our examination, where the audit trail (edit log) facility was enabled and operated in the previous year at the application layer, the audit trail has not been preserved by the Company as per the statutory requirements for record retention.

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.

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

Membership No.: 522796

ICAI UDIN:25522796BNUJEF7568

Place: Mumbai

Date: 06 May 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Quant Cloud Solutions Private Limited for the year ended 31 March 2025

(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 every year. In accordance with this programme, all 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 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 2025 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 2025. 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 2025. 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.

(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

Annexure A to the Independent Auditor's Report on the Financial Statements of Quant Cloud Solutions Private Limited for the year ended 31 March 2025 *(Continued)*

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, 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

Annexure A to the Independent Auditor's Report on the Financial Statements of Quant Cloud Solutions Private Limited for the year ended 31 March 2025 *(Continued)*

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

Membership No.: 522796

ICAI UDIN:25522796BNUJEF7568

Place: Mumbai

Date: 06 May 2025

Annexure B to the Independent Auditor's Report on the financial statements of Quant Cloud Solutions Private Limited for the year ended 31 March 2025

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 Quant Cloud Solutions Private Limited ("the Company") as of 31 March 2025 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 2025, 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 provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Quant Cloud Solutions Private Limited for the year ended 31 March 2025 *(Continued)*

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

Membership No.: 522796

ICAI UDIN:25522796BNUJEF7568

Place: Mumbai

Date: 06 May 2025

QUANT CLOUD SOLUTIONS PRIVATE LIMITED
Balance Sheet

	Note No	As at March 31, 2025	As at March 31, 2024
			₹ in Lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	230	72
Intangible asset	3.1	5	8
Right-of-use assets	35	-	115
Financial assets	4		
Other financial assets	4.1	357	-
Deferred tax assets (net)	15	12	7
Income tax assets (net)	14	9	19
Other non-current assets	5	2,579	-
Total non-current assets		**3,192**	**221**
Current assets			
Financial assets	6		
Trade receivables	6.1	-	11
Cash and cash equivalents	6.2	767	2,716
Other financial assets	6.3	113	108
Other current assets	7	705	156
Total current assets		**1,585**	**2,991**
Total assets		**4,777**	**3,212**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	91	91
Other equity	9	3,452	2,956
Total Equity		**3,543**	**3,047**
LIABILITIES			
Current liabilities			
Financial liabilities	10		
Lease liabilities	10.1	-	141
Trade payables	10.2		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16	12
Other financial liabilities	10.3	193	-
Other current liabilities	11	958	-
Provisions	12	29	12
Current tax liabilities (net)	13	38	-
Total current liabilities		**1,234**	**165**
Total equity and liabilities		**4,777**	**3,212**
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 : Mumbai
Date : 06 May 2025

For and on behalf of the Board of Directors of
Quant Cloud Solutions Private Limited
CIN: U74900TG2015PTC099698

Jagannathan CN
Director
DIN: 08255902

Place : Mumbai
Date : 06 May 2025

Suresh HP
Director
DIN: 10124549

Place : Bengaluru
Date : 06 May 2025

QUANT CLOUD SOLUTIONS PVT. LTD.

QUANT CLOUD SOLUTIONS PRIVATE LIMITED

Statement of Profit and Loss

₹ in Lakhs

	Note No	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	16.1	3,801	2,895
Other income	16.2	90	168
Total income		**3,891**	**3,063**
EXPENSES			
Employee benefits expense	17	2,823	2,183
Finance costs	18	6	20
Depreciation and amortization expense	19	155	233
Other expenses	20	259	82
Total expenses		**3,243**	**2,518**
Profit before tax		**648**	**545**
Tax expense			
Current tax	14	151	170
Deferred tax	15	(3)	2
Net tax expense		**148**	**172**
Profit for the year		**500**	**373**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		(6)	6
(b) Income tax relating to items that will not be reclassified to profit/(loss)	14	2	(2)
		(4)	**4**
Total other comprehensive income for the year, net of tax		**(4)**	**4**
Total comprehensive income for the year		**496**	**377**
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	30	**55.05**	**41.06**
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 : Mumbai
Date : 06 May 2025

For and on behalf of the Board of Directors of
Quant Cloud Solutions Private Limited
CIN: U74900TG2015PTC099698

Jagannathan CN
Director
DIN: 08255902

Place : Mumbai
Date : 06 May 2025

Suresh HP
Director
DIN: 10124549

Place : Bengaluru
Date : 06 May 2025

QUANT CLOUD SOLUTIONS PRIVATE LIMITED
Statement of Cash Flows

		For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**648**	**545**
Adjustments for :			
Depreciation and amortization expense		155	233
Finance costs		6	20
Provisions/ liabilities no longer required written back		-	(18)
Interest income		(90)	(150)
Unrealized foreign exchange loss (net)		10	-
Operating cash flows before movements in working capital		**729**	**630**
Changes in operating assets and liabilities:			
Decrease / (Increase) in trade receivables		1	48
Decrease / (Increase) in other financial assets-current		(5)	(98)
Decrease / (Increase) other financial assets non-current		(357)	84
Decrease / (Increase) in other current assets		(549)	(47)
(Decrease) / Increase in trade payables		4	6
(Decrease) / Increase in other financial liabilities		43	(5)
(Decrease) / Increase in other current liabilities		958	(49)
(Decrease) / Increase in provisions		11	-
Net cash flow from/(used) in operating activities before taxes		**835**	**569**
Income taxes paid (net of refunds)		(103)	(263)
Net cash from/(used) in operating activities	**(A)**	**732**	**306**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including capital work-in-progress and capital advances		(2,624)	(72)
Proceeds from Sale of assets		-	2,533
Interest received		90	141
Net cash from/(used in) in investing activities	**(B)**	**(2,534)**	**2,602**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Payment on lease liabilities		(146)	(192)
Interest paid		(1)	(1)
Net cash flow from/(used) in financing activities	**(C)**	**(147)**	**(193)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(1,949)**	**2,715**
Opening cash and cash equivalents		2,716	1
Exchange difference on translation of foreign currency Cash and cash equivalents			-
Closing cash and cash equivalents		**767**	**2,716**
Cash and cash equivalents at the end of the year comprises: (refer note 6.2)			
Cash on hand		-	-
Balances with banks			
In current accounts		767	116
In demand deposit accounts		-	2,600
		767	**2,716**

Refer note 35 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 : Mumbai
Date : 06 May 2025

For and on behalf of the Board of Directors of
Quant Cloud Solutions Private Limited
CIN: U74900TG2015PTC099698

Jagannathan CN
Director
DIN: 08255902

Place : Mumbai
Date : 06 May 2025

Suresh HP
Director
DIN: 10124549

Place : Bengaluru
Date : 06 May 2025

QUANT CLOUD SOLUTIONS PVT. LTD.

QUANT CLOUD SOLUTIONS PRIVATE LIMITED
Statement of changes in equity
(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 8)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	91	91
Changes in equity share capital during the year	-	-
Balance at the end of the year	**91**	**91**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus			Total
	Securities premium	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at April 1, 2023	**2,404**	**175**	-	**2,579**
Profit for the year	-	373	-	373
Other comprehensive income (net of tax)	-	-	4	4
Total comprehensive income for the year	-	**373**	**4**	**377**
Balance as at March 31, 2024	**2,404**	**548**	**4**	**2,956**
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)
Total comprehensive income for the year	-	**500**	**(4)**	**496**
Balance as at March 31, 2025	**2,404**	**1,048**	-	**3,452**

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

Vivek Gopalakrishnan
Partner
Membership No. 522796

Place : Mumbai
Date : 06 May 2025

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Quant Cloud Solutions Private Limited
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QUANT CLOUD SOLUTIONS PVT. LTD.

1 COMPANY OVERVIEW

Quant Cloud Solutions Private Limited ("QSIN" or the "Company") is a Company primarily engaged in the business of providing Information Technology Services and Solutions to its customer in the 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 06, 2025.

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 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 is 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.

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QUANT CLOUD SOLUTIONS PVT. LTD.

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.i

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(e).

iv) Expected credit losses

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(o).

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 it's 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

Depreciable amount for assets is the cost of asset less its estimated residual value.

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.

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 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

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e. 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 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.

f. 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, 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 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.

Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in 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 OCI.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are not reclassified to statement of profit or loss.

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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

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.

g. 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.

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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.

Defined contribution plan: 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.

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 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.

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.

Long-term employee benefits

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.

h. 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.

i. 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.

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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

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 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, and bank overdrafts.

k. Revenue recognition

The Company derives revenue primarily from Information Technology Services and Solutions provided to the Holding Company. The Company recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

Time and materials contracts

Revenues are recognized on a monthly basis, base don cost plus mark-up metnod (at the agreed mark-up) as per contractual terms and are billed on monthly basis.

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.

Revenues are reported net of GST and applicable discounts and allowances.

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.

l. 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.

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.

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.

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 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.

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o. 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.

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").

p. 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.

q. 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. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.
Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

r. 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.

s. 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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Notes to the financial statements for the year ended March 31, 2025

3.1 . Property, plant and equipment

₹ in Lakhs

Tangible assets					
Particulars	**Plant & Machinery**	**Office Equipment**	**Leasehold Improvements**	**Furniture and fixtures**	**Total**
Cost					
As at April 1, 2023	53	5	-	1	59
Additions	60	2	2	-	64
Disposal / Write off	-	-	-	-	-
As at March 31, 2024	113	7	2	1	123
As at April 1, 2024	113	7	2	1	123
Additions	194	1	-	-	195
Disposal / Write off	-	-	-	-	-
As at March 31, 2025	307	8	2	1	318
Accumulated Depreciation					
As at April 1, 2023	19	1	-	-	20
Depreciation charge during the year	30	1	-	-	31
Depreciation on disposals / write off	-	-	-	-	-
As at March 31, 2024	49	2	-	-	51
As at April 1, 2024	49	2	-	-	51
Depreciation charge during the year	36	1	-	-	37
Depreciation on disposals / write off	-	-	-	-	-
As at March 31, 2025	85	3	-	-	88
Net carrying value					
As at March 31, 2025	222	5	2	1	230
As at March 31, 2024	64	5	2	1	72

Intangible assets		
Particulars	**Software**	**Total**
Cost		
As at April 1, 2023	1	1
Additions	8	8
Disposal / Write off	-	-
As at March 31, 2024	9	9
As at April 1, 2024	9	9
Additions	-	-
Disposal / Write off	-	-
As at March 31, 2025	9	9
Accumulated Amortization		
As at April 1, 2023	-	-
Amortization charge during the year	1	1
As at March 31, 2024	1	1
As at April 1, 2024	1	1
Amortization charge during the year	3	3
As at March 31, 2025	4	4
Net carrying value		
As at March 31, 2025	5	5
As at March 31, 2024	8	8

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2025 and for the year ended March 31, 2024.
-No revaluation of tangible assets were carried out for the year ended March 31, 2025 and for the year ended March 31, 2024.

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Notes to the financial statements for the year ended March 31, 2025

₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
Non-current		
4.1 : Other financial assets (carried at amortized, unless otherwise stated)		
Unsecured, considered good		
Other assets (Refer note 34)	357	-
Total	**357**	**-**
5 : Other non-current assets		
Unsecured, considered good		
Capital advances (Refer note 34)	2,579	-
Total	**2,579**	**-**
Current		
6.1 : Trade receivables (carried at amortized cost, less unless otherwise stated)		
Unsecured *		
Billed		
Considered good	-	11
Less: Allowance for credit losses	-	-
	-	11
Trade receivables - credit impaired	-	-
Less : Allowances for credit losses	-	-
	-	-
Unbilled	-	-
Total	-	11

Trade receivable ageing schedule

Particulars	Unbilled	Outstanding for the following period from due date of payments						Total
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	-	-	-
Unbilled	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
As at March 31, 2024								
Undisputed trade receivables - considered good	-	-	11	-	-	-	-	11
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	-	-	-	-
Unbilled	-	-	-	-	-	-	-	-
Total	-	-	11	-	-	-	-	11

* 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 34.
Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 24.
For the amounts receivable from Related parties refer note 34.

6.2 : Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In current accounts	767	116
In deposit accounts with original maturity of less than 3 months *	-	2,600
Total	**767**	**2,716**

* The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

6.3 : Other financial assets (carried at amortized cost, less unless otherwise stated)		
Unsecured, considered good		
Security deposits	113	108
Total	**113**	**108**

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Notes to the financial statements for the year ended March 31, 2025

	As at March 31, 2025	As at March 31, 2024
		₹ in Lakhs
7 : Other current assets		
Unsecured, considered good		
Prepaid expenses	8	18
Balances with Government authorities		
GST credit receivable	283	108
Other recoverables (Refer note 34)	414	30
Total	705	156
8 : Equity share capital		
Authorized		
1,000,000 equity shares of face value ₹ 10/- each (As at March 31, 2024 - 1,000,000 equity shares of face value ₹ 10/- each)	100	100
Issued		
9,08,337 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2024 - 9,08,337 equity shares of face value ₹ 10/- each)	91	91
Subscribed and paid-up		
9,08,337 equity shares of face value ₹ 10/- each fully paid-up (As at March 31, 2024 - 9,08,337 equity shares of face value ₹ 10/- each)	91	91
Total	91	91
Refer note (i) to (vii) below		

Refer notes (i) to (vii) below:

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
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

Equity shares with voting rights	No. of shares	No. of shares
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

Quant System Inc. (Holding Company) and its nominees	No. of shares	No. of shares
No. of shares held	9,08,337	9,08,337
% of holding	100%	100%

v) Details of shares held by each promoter

Quant System Inc. (Holding Company) and its nominees	No. of shares	No. of shares
No. of shares held	9,08,337	9,08,337
% of holding	100%	100%

vi) During the year ended March 31, 2025, 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 preceeding the reporting date. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

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₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
9 : Other equity		
Securities premium		
Opening balance	2,404	2,404
Premium received on issue of shares	-	-
Closing balance	**2,404**	**2,404**
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	548	175
Profit for the year	500	373
Less :		
Dividend paid	-	-
Closing balance	**1,048**	**548**
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)	(4)	4
Closing balance	-	**4**
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.		
Total	**3,452**	**2,956**
10. Current financial liabilities		
10.1 : Lease liabilities		
Lease liabilities (Refer note 35)	-	141
Total	**-**	**141**
10.2 : Trade payables		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances*	16	12
Total	**16**	**12**

* 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 34.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 24.

Trade payables ageing schedule

Particulars	Accrued Expenses	Outstanding for the following period from due date of payments: Not Due	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
As at March 31, 2025							
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	-	-	-	-	-	-	-
Total	**11**	**-**	**5**	**-**	**-**	**-**	**16**
As at March 31, 2024							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	10	-	2	-	-	-	12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**10**	**-**	**2**	**-**	**-**	**-**	**12**

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Notes to the financial statements for the year ended March 31, 2025

₹ in Lakhs

	As at March 31, 2025	As at March 31, 2024
10.3 : Other financial liabilities		
Employee benefits payable	12	-
Payable on acquisition of property, plant and equipment (Refer note 34)	150	-
Reimbursable Expenses payable to related party	31	-
Total	**193**	**-**
11 : Other current liabilities		
Statutory payables	74	-
Advances from customers (Refer note 34)	884	-
Total	**958**	**-**
12 : Provisions		
Provision for gratuity (Refer note 27)	8	3
Provision for employee benefits - Compensated absences	21	9
Total	**29**	**12**
13 : Current tax liabilities (net)		
Provision for tax (net of advance tax ₹ 28 Lakhs)	38	-
Total	**38**	**-**

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Notes to the financial statements for the year ended March 31, 2025

₹ in lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
14: Income taxes		

The income tax asset is ₹ 9 Lakhs (net of provision for tax of ₹ 74 Lakhs) as at March 31, 2025. The income tax asset is ₹ 19 Lakhs (net of provision for tax of ₹ 244 Lakhs) as at March 31, 2024.

(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	151	170
Deferred Tax:		
In respect of current year (origination and reversal of temporary differences)	(3)	2
Total Income tax expense recognised in the statement of profit and loss	**148**	**172**
(b) Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
On measurement of defined benefit plan	**2**	**(2)**
Total	**2**	**(2)**

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	648	545
Enacted income tax rate in India	25.17%	27.82%
Computed expected tax expense	163	152
Effect of:		
Expenses that are not deductible in determining taxable profit	(1)	16
Others	(14)	5
Income tax expense recognised in the statement of profit and loss	**148**	**173**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 is 25.17% (year ended March 31, 2024 is 27.82%). The Company has opted for lower tax rate in current financial year.

15 : Deferred tax assets (net)

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

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)
Leases	7	6	-	1
Employee Bonus	-	(15)	2	17
Disallowance u/s 40(a)	-	(1)		1
Leave encashment	4	(3)	-	7
Gratuity	(3)	3	-	(6)
Net Deferred tax assets	**7**	**(3)**	**2**	**12**

Particulars	As at March 31, 2023	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2024
Property, plant and equipment		1	-	(1)
Leases	-	(7)	-	7
Employee Bonus	5	5	-	-
Leave encashment	3	(1)	-	4
Gratuity	3	4	2	(3)
Net Deferred tax assets	**11**	**2**	**2**	**7**

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Notes to the financial statements for the year ended March 31, 2025

₹ in Lakhs

	For the year ended March 31, 2025	For the year ended March 31, 2024
16.1 : Revenue from operations		
Revenue from software services (Refer note 21)	3,801	2,895
Total	**3,801**	**2,895**
16.2 : Other income		
Interest income*	88	150
Interest on Income-tax refund	2	-
Liabilities/provisions no longer required written back	-	18
Total	**90**	**168**
*Interest income comprises of:		
Interest on bank balances and bank deposits	83	141
Interest on financial assets carried at amortised cost	5	10
17 : Employee benefits expense		
Salaries, wages and bonus	2,711	2,074
Contributions to provident and other funds (Refer note 27)	78	77
Staff welfare expenses	34	32
Total	**2,823**	**2,183**
18 : Finance costs		
Interest expense on lease liabilities (Refer note 35)	5	19
Other borrowing costs (bank charges)	1	1
Total	**6**	**20**
19 : Depreciation and amortization expense		
Depreciation of property, plant and equipment (Refer note 3)	37	31
Amortization of intangible assets (Refer note 3)	3	1
Depreciation of right on use assets (Refer note 35)	115	201
Total	**155**	**233**
20 : Other expenses		
Rent (Refer note 34)	165	-
Repairs and maintenance	1	-
Rates and taxes	5	7
Communication expense	12	9
Repairs and maintenance	1	2
Travelling and conveyance expenses	2	1
Professional and technical fees	18	20
Net loss on foreign currency transactions	10	4
Software license fees	17	25
Insourcing professional fees	-	1
Expenditure on corporate social responsibility (Refer note 29)	5	-
Payments to auditors (refer note below)	10	10
Miscellaneous expenses	13	3
Total	**259**	**82**
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	10	10
	10	**10**

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Notes to the financial statements for the year ended March 31, 2025

21 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, 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.

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Time and Material (over the period) (Service provided to Holding Company incorporated in United States of America)	3,801	2,895
Total	**3,801**	**2,895**

22 Contingent liabilities

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

23 Financial instruments

The carrying value of financial instruments by categories as at March 31, 2025 and March 31, 2024 is as follows:

₹ in Lakhs

Particulars	Note No.	As at March 31, 2025			
		Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets					
Other financial assets	4.1	-	-	357	357
Trade receivable	6.1	-	-	-	-
Cash and cash equivalents	6.2	-	-	767	767
Other current financial assets	6.3	-	-	113	113
Total		-	-	**1,237**	**1,237**
Financial liabilities					
Trade payables	10.2	-	-	16	16
Other financial liabilities	10.1 & 10.3	-	-	193	193
Total		-	-	**209**	**209**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2024			
		Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets					
Other financial assets	4.1	-	-	-	-
Trade receivable	6.1	-	-	11	11
Cash and cash equivalents	6.2	-	-	2,716	2,716
Other current financial assets	6.3	-	-	108	108
Total		-	-	**2,835**	**2,835**
Financial liabilities					
Other financial liabilities	10.1	-	-	141	141
Trade payables	10.2	-	-	12	12
Total		-	-	**153**	**153**

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, inter corporate deposits and other current 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).

24 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 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, 2025 is considered adequate.

There are no financial assets that are past due but not unsecured.
The entire trade receivables are due from Holding Company which is located in Unites States.

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

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from customer having more than 10% of total revenue	3,801	2,895
Trade receivables (United States of America)	-	11

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 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.

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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	767	2,716
Trade receivables	-	11
Other financial assets	113	108
Other current assets	705	156

The table below provides details regarding the contractual maturities (undiscounted cashflow) of significant financial liabilities as at March 31, 2025 and as at March 31, 2024:

₹ in Lakhs

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

₹ in Lakhs

Particulars	As at March 31, 2024			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	12	-	-	12
Lease liabilities	146	-	-	146

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, 2025 and as at March 31, 2024.

₹ in Lakhs

Exposure currency	As at March 31, 2025	As at March 31, 2024
	USD	USD
Assets		
Trade receivables	-	11
Liabilities		
Other current liabilities	884	-
Net assets/(liabilities)	**(884)**	**11**

A reasonably possible strengtening by 1% of USD against the Indian Rupees as at March 31, 2025 and March 31, 2024 will affect the statement of profit and loss by the amounts shown below:

₹ in Lakhs

Currencies	March 31, 2025	March 31, 2024
USD	(9)	-

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.

25 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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	3,543	3,047
As percentage of total capital	95%	96%
Current borrowings	-	-
Total lease liabilities	193	141
Total borrowings and lease liabilities	**193**	**141**
As a percentage of total capital	5%	4%
Total capital (borrowings and equity)	**3,736**	**3,188**

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 fixed deposits with bank.

26 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, 2025 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:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(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	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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.

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QUANT CLOUD SOLUTIONS PVT. LTD.

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Notes to the financial statements for the year ended March 31, 2025

27 Employee benefit plans

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.

Provident fund & Employee state insurance

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 ₹ 63 lakhs (₹ 63 lakhs for year ended March 31, 2024) and Employee state insurance contributions amounting to ₹ 5 lakhs (₹ Nil for year ended March 31, 2024) 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).

ii) Defined benefit plans - Gratuity

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, 2025	As at March 31, 2024
Discount rate(s)	6.76%	7.19%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Expected return on planned assets	7.19%	7.19%
Attrition rate	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
Weighted Average Duration of the Defined Benefit Obligation	5.71 years	5 years

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service cost:		
Current service cost	10	10
Net interest cost	-	1
Total	**10**	**11**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	2
Actuarial (gains) / losses arising from changes in financial assumptions	1	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(7)
Actuarial (gains) / losses arising from experience adjustments	5	(1)
Components of defined benefit costs recognised in other comprehensive income	6	(6)

The current service cost and the net interest expense for the year are included in the '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.

QUANT CLOUD SOLUTIONS PRIVATE LIMITED

Notes to the financial statements for the year ended 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:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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	(34)	(17)
Fair value of plan assets	26	14
Net (liability) / assets arising from defined benefit obligation (Current)	**(8)**	**(3)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	17	14
Current service cost	10	10
Interest cost	1	1
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1	-
Actuarial gains and losses arising from experience adjustments	5	(1)
Actuarial (gains) / losses arising from demographic adjustments	-	(7)
Benefits paid	-	-
Closing defined benefit obligation	**34**	**17**
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	14	-
Interest income	1	-
Expected return on plan assets	-	-
Actuarial gain / (loss) on plan assets	-	(2)
Contributions from the employer	11	16
Closing fair value of plan assets	**26**	**14**

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

	As at March 31, 2025	As at March 31, 2024
Insurer Managed Funds	100%	100%
Category of funds :C168		
Secure Fund	50.00%	3.03%
Defensive Fund	25.00%	54.87%
Balanced Fund	25.00%	42.06%
Stable Fund	0.00%	0.04%

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

	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3)	3	(1)	2
Future salary growth (1% movement)	4	(3)	2	(1)
Employee turnover rate (1% movement)	(1)	1	(0)	0

The Company expects to contribute ₹ 28 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, 2025	As at March 31, 2024
Present value of defined benefit obligation	34	17
Fair value of plan assets	26	14
Surplus / (deficit)	(8)	(3)
Experience adjustments on plan liabilities - (gain)/losses	5	(1)
Experience adjustments on plan assets - (losses)/gain	-	(2)

Maturity profile of defined benefit obligation:

₹ in Lakhs

	As at As at March 31, 2025	As at As at March 31, 2024
Within 1 year	-	-
1-2 years	1	-
2-3 years	3	1
3-4 years	4	2
4-5 years	4	2
5 years and Above	60	31

The Company 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.

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Notes to the financial statements for the year ended March 31, 2025

iii) Other employee benefits - Compensated absences

As per valuation

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

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

Particulars	As at March 31, 2025	As at March 31, 2025
Discount rate(s)	6.76%	7.19%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	Service Based:Upto 4 years: 25.00%;Thereafter: 10.00%	Service Based:Upto 4 years: 25.00%;Thereafter: 10.00%
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	20.00%	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	As at 31st March 2025	As at 31st March 2024
Current liability	21	9
Present value of compensated absences	**21**	**9**

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1)	-	(1)	(0)
Future salary growth (1% movement)	-	(1)	-	(1)
Employee turnover rate (1% movement)	(1)	-	(1)	-

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	22	6
1-2 years	-	3

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Notes to the financial statements for the year ended March 31, 2025

28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole 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 gerographical 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.

29 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 by the Company during the year is ₹ 5 lakhs (Previous year is ₹ Nil).

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

₹ in Lakhs

Particulars	In Cash	Yet to be paid in Cash	Total
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (1) above	5	-	5
Total	**5**	-	**5**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	-	-
Add: Amount required to be spent during the year	5	-
Less: Amount spent during the year	(5)	-
Total	-	-

30 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	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax attributable to equity shareholders (a)	500	373
Weighted average number of equity shares outstanding during the year for basic EPS (b)	9,08,337	9,08,337
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	9,08,337	9,08,337
Basic earning per share (a/b)	55.05	41.06
Diluted earning per share (a/c)	55.05	41.06

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

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

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Notes to the financial statements for the year ended March 31, 2025

33. Distributions made and proposed :

There has been no dividend distributed or proposed to equity shareholders for the year ended March 31, 2025 and year ended March 31, 2024.

34. Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
(a) Ultimate holding Company	Sonata Software Limited
(b) Immediate holding Company	Quant Systems Inc.
(c) Fellow subsidiaries	Sonata Information Technology Limited
(d) Post-employment benefit plan	Sonata Software Gratuity Fund Sonata Software Officers Superannuation Fund
(e) Key management personnel (KMP)	Mr. Jagannathan Chakravarthi, Director Mr. Sujit Mohanty Mr. Hassan Prakash Suresh, Director (from May 1, 2023)
(f) Relative of KMP	Mr. Srihari Veravelli

ii) Transactions with related parties :

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rendering of services		
Quant Systems Inc.	3,801	2,895
Purchase of Software products, licenses and Project Fees		
Sonata Information Technology Limited	8	35
Re-imbursment of expenses paid		
Sonata Software Limited	31	-
Re-imbursment of expenses received		
Sonata Software Limited	60	-
Acquisition of property, plant and equipment		
Sonata Software Limited	150	-
Sonata Information Technology Limited	30	-
Capital advances paid		
Srihari Veravelli	944	-
Advance rent paid		
Srihari Veravelli	130	-
Rent expenses		
Srihari Veravelli	26	

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Notes to the financial statements for the year ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balances outstanding at the end of the year		
Trade receivables		
Quant Systems Inc.	-	11
Re-imbursment of expenses receivable		
Sonata Software Limited	-	-
Re-imbursment of expenses payable		
Sonata Software Limited	31	-
Payable on property, plant & equipment		
Sonata Software Limited	149	-
Sonata Information Technology Limited	1	-
Other assets		
Srihari Veravelli	104	-
Capital advances		
Srihari Veravelli	840	-
Other recoverables		
Srihari Veravelli	130	-
Advance from customers		
Quant Systems Inc.	884	-

Terms and conditions with related party:

1. The sales, purchases, commission income and rent income from related parties are made on terms equivalent to those that prevail in arm's length transactions

2. The balance outstanding above are unsecured and would be settled in cash.

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QUANT CLOUD SOLUTIONS PVT. LTD.

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Notes to the financial statements for the year ended March 31, 2025

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 March 31, 2025	As at March 31, 2024
	Buildings	Buildings
Balance at the beginning of the year	115	198
Additions	-	118
Deletion	-	-
Depreciation for the year	(115)	(201)
Balance at the end of the year	-	115

Incremental borrowing rate used for discounting of lease liabilities is 9.95 % based on the lease term.

The following is the movement in lease liabilities:

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	141	196
Non-cash changes		
Additions	-	118
Finance cost accrued during the year	5	19
Deletions	-	-
Cash changes		
Payment of lease liabilities	(146)	(192)
Balance at the end of the year	-	141

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	-	141
Non-current lease liabilities	-	-
Total	-	141

Contractual maturities of lease liabilities

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year		146
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-

The Company had total cash outflow of ₹ 146 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 192 lakhs) for leases recognized in balance sheet. The Company has made a non-cash addition to lease liabilities is Nil during the year ended March 31, 2025 (March 31, 2024 - Nil).

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year	5	19
Depreciation on ROU assets	115	201
Rent expense pertaining to short-term lease	-	-
Total	120	220
Interest income on sub lease ROU asset	5	10
Total	5	10

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QUANT CLOUD SOLUTIONS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

36. The table below provides financial ratios:

Ratio/Measure	Methodology	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance %	Reason for variance exceeding 25% as compared to
Current ratio	Current assets over current liabilities	1.28	18.13	-93%	Proceeds from sale of assets invested in bank deposits in previous financial year.
Debt-equity ratio	Debt over total shareholders equity	-	0.05	-100%	Improved ratio on account of payment of lease liabilities during current financial year.
Debt service coverage ratio	EBITDA over current debt	-	5.66	-100%	Improved ratio on account of payment of lease liabilities during current financial year.
Return on equity ratio	PAT over total average equity	0.14	0.13	10%	
Trade receivable turnover ratio	Revenue from operations over trade receivables	691	263	163%	Improved ratio on account of decrease in trade receivables.
Trade payable turnover ratio	Adjusted expenses over trade payables	86	189	-55%	Higher ratio due to improve in payments to trade payables.
Net capital turnover ratio	Revenue from operations over average working capital	2.29	0.98	135%	Increase is due to utilization of fixed deposit towards security deposit for leased premises.
Net profit ratio	Net profit over revenue	0.13	0.13	2%	
Return on capital employed	EBIT over capital employed	0.18	0.18	4%	

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.

37: 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 2024.

(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 : Mumbai
Date : 06 May 2025

For and on behalf of the Board of Directors of
Quant Cloud Solutions Private Limited
CIN: U74900TG2015PTC099698

Jagannathan CN
Director
DIN: 08255902

Place : Mumbai
Date : 06 May 2025

Suresh HP
Director
DIN: 10124549

Place : Bengaluru
Date : 06 May 2025

QUANT CLOUD SOLUTIONS PVT. LTD.

SONATA SOFTWARE NORTH AMERICA INC.
Balance Sheet

(Amounts in USD)

	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**3.1**	409,716	369,024
Right of use assets	**35**	251,083	-
Capital work-in-progress		2,482	-
Intangible assets	**3.2**	3,223,058	4,057,639
Intangible asset under development	**3.3**	3,043,410	-
Goodwill	**3.4**	22,723,627	22,723,627
		29,653,376	**27,150,290**
Financial assets			
Investments	**4.1**	159,407,435	160,512,724
Other financial assets	**4.2**	10,000	10,000
Deferred tax assets (net)	**16B**	475,502	-
Income tax assets (net)	**16A**	563,149	495,898
Total non-current assets		**160,456,086**	**161,018,622**
CURRENT ASSETS			
Financial assets			
Investments	**4.1**	9,754,658	10,052,473
Trade receivables	**5**	38,111,168	31,827,920
Cash and cash equivalents	**6.1**	756,839	43,871,550
Bank balances other than above	**6.2**	20,000	20,000
Other financial assets	**6.3**	13,903,253	6,507,379
Other current assets	**6.4**	8,668,019	11,445,914
Total current assets		**71,213,937**	**103,725,236**
Total assets		**261,323,399**	**291,894,148**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	**7**	300,000	300,000
Other equity	**8**	65,345,022	31,849,310
Total Equity		**65,645,022**	**32,149,310**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	**9**	26,666,667	51,680,000
Lease libilities	**35**	201,847	-
Other financial liabilities	**10**	695,728	353,630
Deferred tax liability	**16B**	-	154,519
Total non-current liabilities		**27,564,242**	**52,188,149**
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	**9**	25,000,000	23,320,000
Lease libilities	**35**	100,553	-
Trade payables	**11**	78,019,179	58,657,510
Other financial liabilities	**12**	53,164,857	120,355,767
Other current liabilities	**13**	4,044,062	1,832,532
Provisions	**14**	1,120,250	1,263,370
Current tax liabilities (net)	**15**	6,665,234	2,127,510
Total current liabilities		**168,114,135**	**207,556,689**
Total equity and liabilities		**261,323,399**	**291,894,148**
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 North America Inc.

Amrit Bhansali
Partner
Membership No. 065155

Sharmila Sherikar
Director & President

Satish Reddy Madur
Director

Place : Mumbai
Date : 07 May 2025

Place : New Jersey
Date : 05 May 2025

Place : Seattle
Date : 05 May 2025

SONATA SOFTWARE NORTH AMERICA INC.
Statement of Profit and Loss

(Amounts in USD)

	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE			
Revenue from operations	**17**	206,281,176	164,110,395
Other income	**17.1**	21,937,720	24,013,257
Total revenue		**228,218,896**	**188,123,652**
EXPENSES			
Purchase of stock-in-trade (traded goods)	**18**	4,865,645	8,690,462
Employee benefit expenses	**19**	43,603,212	36,228,844
Finance costs	**20**	6,398,982	8,813,204
Depreciation and amortization expense	**21**	1,169,905	1,465,728
Other expenses	**22**	133,878,470	107,213,511
Total expenses		**189,916,214**	**162,411,749**
Profit before exceptional item and tax		**38,302,682**	**25,711,903**
Exceptional item			
Changes in fair value of contingent consideration payable	**32**	-	20,989,789
Profit before tax		**38,302,682**	**4,722,114**
Tax expense			
Current tax expense	**16A**	4,331,970	2,074,545
Deferred tax	**16B**	(630,021)	460,786
Net tax expense		**3,701,949**	**2,535,331**
Profit for the year		**34,600,733**	**2,186,783**
Other comprehensive income			
Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		-	(361)
(b) Equity instruments through other comprehensive income		(1,105,021)	-
		(1,105,021)	**(361)**
Total other comprehensive income for the year, net of tax		**(1,105,021)**	**(361)**
Total comprehensive income for the year		**33,495,712**	**2,186,422**
Earnings per share - (on USD 1 per share)	**31**		
Basic (in USD)		115.34	7.29
Diluted (in USD)		115.34	7.29
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 Softwar North America Inc.

Amrit Bhansali
Partner
Membership No. 065155

Sharmila Sherikar
Director & President

Satish Reddy Madur
Director

Place : Mumbai
Date : 07 May 2025

Place : New Jersey
Date : 05 May 2025

Place : Seattle
Date : 05 May 2025

SONATA SOFTWARE NORTH AMERICA INC.
Statement of Cash flows

(Amounts in USD)

		Year ended March 31, 2025	Year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**38,302,682**	**4,722,114**
Adjustments for :			
Depreciation and amortization expense		1,169,905	1,465,728
Net (gain) on investments carried at fair value through profit and loss		(336,834)	(271,077)
Finance costs		4,342,887	3,509,682
Impairment (gain)/loss recognised on trade receivable		245,391	(371,374)
Provisions/ liabilities no longer required written back		(137,441)	(1,985,989)
Interest income		(263,445)	(255,998)
Dividend income		(21,200,000)	(21,500,000)
Unwinding of contingent consideration		2,000,611	5,257,812
Interest on financial assets carried at amortised cost		19,299	-
Changes in fair value of contingent consideration		-	20,989,789
Unrealized foreign exchange (gain) / loss		73,957	50,735
Operating Profit before working capital changes		24,217,012	11,611,422
Adjustments for :			
Decrease/(increase) in trade receivables		(5,803,878)	(7,448,459)
Decrease/(increase) in other current assets		2,777,895	(11,326,876)
Decrease/(increase) in other financial assets		(10,941,960)	(1,374,809)
Decrease/(increase) in other non-current financial assets		-	(5,000)
(Decrease)/increase in trade payables		19,361,669	25,198,591
(Decrease)/increase in other current liabilities		2,211,530	1,156,091
(Decrease)/increase in other financial liabilities		1,363,265	(1,082,562)
(Decrease)/increase in non-current liabilities		342,098	298,586
(Decrease)/increase in short-term provisions		(143,120)	440,198
Net cash flow from / (used in) operations		**33,384,511**	**17,467,182**
Income taxes paid (net of refunds)		(661,263)	(4,474,277)
Net cash flow from / (used in) operating activities	**A**	**32,723,248**	**12,992,905**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including intangible assets, capital-work-in progress and Intangible asset under development		(3,201,673)	(78,090)
Interest received		446,972	107,907
Payments in relation to business acquisition		(70,530,759)	(4,236,372)
Dividend received		24,700,000	18,000,000
Purchase of current investments		(137,000,000)	(73,400,001)
Proceeds from sale of current investments		137,634,649	63,620,260
Net cash flow from / (used in) investing activities	**B**	**(47,950,811)**	**4,013,704**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings from bank		-	75,000,000
Repayment of long-term borrowings from bank		(23,333,333)	(55,000,000)
Repayment of lease liability		(188,217)	-
Interest paid		(4,366,914)	(3,623,215)
Net cash flow from/ (used in) financing activities	**C**	**(27,888,464)**	**16,376,785**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	(43,116,027)	33,383,394
Opening cash and cash equivalents		43,871,554	10,487,710
Exchange difference on translation of foreign currency cash and cash equivalents		1,312	450
Closing cash and cash equivalents		**756,839**	**43,871,554**

SONATA SOFTWARE NORTH AMERICA INC.
Statement of Cash flows

	Year ended March 31, 2025	Year ended March 31, 2024
		(Amounts in USD)
Cash and cash equivalents at the end of the year Comprises :		
Balances with banks		
In current accounts	743,874	3,158,935
In deposit accounts	12,965	40,712,619
Total	**756,839**	**43,871,554**

Refer note 35 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

Amrit Bhansali
Partner
Membership No. 065155

Place : Mumbai
Date : 07 May 2025

For and on behalf of the Board of Directors of
SONATA SOFTWARE NORTH AMERICA INC.

Sharmila Sherikar	**Satish Reddy Madur**
Director & President	Director
Place : New Jersey	Place : Seattle
Date : 05 May 2025	Date : 05 May 2025

SONATA SOFTWARE NORTH AMERICA INC.
Statement of changes in equity

(a) Equity share capital

(Amounts in USD)

Particulars (Refer note 7)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**300,000**	**300,000**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**300,000**	**300,000**

(b) Other equity

(Amounts in USD)

Particulars	Reserves and Surplus		Equity instruments through other comprehensive income	Total other equity
	Retained earnings	Remeasurement of the defined benefit plans		
Balance as at April 1, 2023	**29,662,888**	**-**	**-**	**29,662,888**
Profit for the year	2,186,783	-	-	2,186,783
Other comprehensive income (net of tax)		(361)	-	(361)
Total comprehensive income for the year	**2,186,783**	**(361)**	**-**	**2,186,422**
Balance as at March 31, 2024	**31,849,671**	**(361)**	**-**	**31,849,310**
Balance as at April 1, 2024	**31,849,671**	**(361)**	**-**	**31,849,310**
Profit for the year	34,600,733	-	-	34,600,733
Impact on account of adoption of Ind AS 116	-	-	-	-
Other comprehensive income (net of tax)	-	-	(1,105,021)	(1,105,021)
Total comprehensive income for the year	**34,600,733**	**-**	**(1,105,021)**	**33,495,712**
Balance as at March 31, 2025	**66,450,404**	**(361)**	**(1,105,021)**	**65,345,022**

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 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

Place : Mumbai
Date : 07 May 2025

Sharmila Sherikar
Director & President

Place : New Jersey
Date : 05 May 2025

Satish Reddy Madur
Director

Place : Seattle
Date : 05 May 2025

1 COMPANY OVERVIEW

Sonata Software North America Inc. ("SSNA" 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. The company was incorporated in US on 20th April 1992 with its registered office at Fremont, USA. Sonata Software Limited has 100% ownership of SSNA.

The principal 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 31 March 2025, 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 2025, 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 investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any.The corresponding figures for financial years 2023-24 included in these financial statements have not been audited.

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 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.

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 US Dollars, the national currency of United States of America, which is the functional currency of the Company. The functional currency of its Branch is as per its respective domicile currency.

All amounts are rounded off to the nearest 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 statements and the reported amounts of income and expenditure during the 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) Revenue recognition

Refer note 2.2 (j)

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 as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under note 2.2(n)

iv) Contingent liabilities

Refer note 2.2 (p)

v) Income taxes and deferred taxes

The primary tax jurisdiction for the Company 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 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).

vi) 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(e).

vii) 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.

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 it 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 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 & office equipment 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

Asset class	**Useful life**
Plant and machinery (Hardware)	5 years
Lease hold improvements	lease term or useful life, whichever is lower

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 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

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 Company 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.

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.

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 OCI.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are not reclassified to statement of profit or 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.

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. **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 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. The Company recognises the lease payments associated with these leases as an expense over the lease term.
The extension options held are exercisable only by the company and not the lessors. 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.

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.

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.

Long-term employee benefits

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 absenses 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 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 period 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.

j. 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 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. The company recognises revenue as the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. The 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. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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.

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.

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 measures 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. 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.

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.

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. 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.

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.

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.

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.

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. USD 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 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.

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 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 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 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 acumulated depreciation) had no impairement 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").

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 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.

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.

s. 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 Company in 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

SONATA SOFTWARE NORTH AMERICA INC.

Notes to the financial statements for the year ended March 31, 2025

3.1 : Property, plant and equipment (Amounts in USD)

Tangible assets					
Particulars	**Office Equipments**	**Leasehold Improvements**	**Furniture and Fixtures**	**Plant and machinery**	**Total**
Cost					
As at April 1, 2023	**72,873**	**74,983**	**134,523**	**926,087**	**1,208,466**
Additions	3,366	-	-	75,003	**78,369**
Disposals/Write off	-	-	-	(279)	**(279)**
As at Mar 31, 2024	**76,239**	**74,983**	**134,523**	**1,000,811**	**1,286,556**
As at April 1, 2024	**76,239**	**74,983**	**134,523**	**1,000,811**	**1,286,556**
Additions	-	-	-	155,781	**155,781**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2025	**76,239**	**74,983**	**134,523**	**1,156,592**	**1,442,337**
Accumulated depreciation					
As at April 1, 2023	**69,703**	**48,738**	**132,056**	**549,475**	**799,972**
Depreciation for the year	2,140	14,987	388	100,045	**117,560**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2024	**71,843**	**63,725**	**132,444**	**649,520**	**917,532**
As at April 1, 2024	**71,843**	**63,725**	**132,444**	**649,520**	**917,532**
Depreciation for the year	1,706	11,258	348	101,777	**115,089**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2025	**73,549**	**74,983**	**132,792**	**751,297**	**1,032,621**
Net carrying value					
As at Mar 31, 2025	**2,690**	**-**	**1,731**	**405,295**	**409,716**
As at Mar 31, 2024	**4,395**	**11,258**	**2,080**	**351,291**	**369,024**

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2025 and for the year ended March 31, 2024.
-No revaluation of tangible assets were carried out for the year ended March 31, 2025 and for the year ended March 31, 2024.

3.2 : Intangible assets

Intangible assets (Amounts in USD)

Particulars	Intellectual property	Non-compete	Vendor relationship	Customer relationship	Customer contracts	Total
Cost						
As at April 1, 2023	**465,400**	**45,800**	**1,718,200**	**6,294,000**	**2,597,200**	**11,120,600**
Additions	-	-	-	-	-	-
Disposals/Write off	-	-	-	-	-	-
As at Mar 31, 2024	**465,400**	**45,800**	**1,718,200**	**6,294,000**	**2,597,200**	**11,120,600**
As at April 1, 2024	**465,400**	**45,800**	**1,718,200**	**6,294,000**	**2,597,200**	**11,120,600**
Additions	-	-	-	-	-	-
Disposals/Write off	-	-	-	-	-	-
As at Mar 31, 2025	**465,400**	**45,800**	**1,718,200**	**6,294,000**	**2,597,200**	**11,120,600**
Accumulated amortization						
As at April 1, 2023	416,390	45,800	1,718,200	1,852,147	1,682,256	**5,714,793**
Amortization for the year	17,690	-	-	644,270	686,208	1,348,168
Disposals/Write off	-	-	-	-	-	-
As at Mar 31, 2024	**434,080**	**45,800**	**1,718,200**	**2,496,417**	**2,368,464**	**7,062,961**
As at April 1, 2024	**434,080**	**45,800**	**1,718,200**	**2,496,417**	**2,368,464**	**7,062,961**
Amortization for the year	17,642	-	-	588,203	228,736	834,581
Disposals/Write off	-	-	-	-	-	-
As at Mar 31, 2025	**451,722**	**45,800**	**1,718,200**	**3,084,620**	**2,597,200**	**7,897,542**
Net carrying value						
As at Mar 31, 2025	**13,678**	**-**	**-**	**3,209,380**	**-**	**3,223,058**
As at Mar 31, 2024	**31,320**	**-**	**-**	**3,797,583**	**228,736**	**4,057,639**

3.3 : Intangible asset under development

Particulars	Opening	Additions	Capitalization/ Disposal	Closing
As at March 31, 2025	-	3,043,410	-	3,043,410
As at March 31, 2024	-	-	-	-

3.4 Goodwill

As at April 1, 2023	**11,963,410**
Acquisitions through business combinations	13,780,746
Effect of foreign currency exchange differences	-
As at Mar 31, 2024	**25,744,156**
As at April 1, 2024	**25,744,156**
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	-
As at Mar 31, 2025	**25,744,156**
Accumulated Impairment	
As at April 1, 2023	**3,020,529**
Effect of foreign currency exchange differences	-
As at Mar 31, 2024	**3,020,529**
As at April 1, 2024	**3,020,529**
Effect of foreign currency exchange differences	-
As at Mar 31, 2025	**3,020,529**
Net carrying value	
As at Mar 31, 2025	**22,723,627**
As at Mar 31, 2024	**22,723,627**

Impairment

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. Goodwill is subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the statement of profit and loss.

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. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. 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.
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.

Allocation of goodwill to cash generating units:

The company has identified the acquired businesses as CGUs that is Encore Software Services, Inc., Interactive Business Information Systems Inc., Halosys Technologies Inc. and Rezopia Inc.

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

Cash generating units	March 31, 2025	March 31, 2024
Rezopia Inc.	1,205,548	1,205,548
Halosys Technologies Inc.	3,070,754	3,070,754
Interective Business Information Systems Inc.	7,687,108	7,687,108
Sopris Systems, LLC	2,978,016	2,978,016
Encore Software Services, Inc.	7,782,201	7,782,201
Total	**22,723,627**	**22,723,627**

At the end of each reporting period presented, the recoverable amount of a CGU is higher of its fair value less cost to sell and its value-in-use. The value in use determined based on the specific calculations. These calculations are based on net present value of cash flow projections over a period of five years discounted at the rate of 18% (FY 2023-24 18%), pre-tax, which is arrived after consulting the valuation experts. The company has considered steady growth rate of 12% YOY from FY 2024-25 onwards (FY 2023-24 12% YOY). The discount rate used in the calculation reflects market's assessment of these risks specific to the asset as well as time value of money. EBITDA margins considered in the projections are based on international services and for FY 2024-25 onwards it is taken at 15% (FY 2023-24 15%) based on financial budgets approved by management.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter at 2% (FY 2023-24 2%). 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 future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

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 growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's strategic plans.

The company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

As at March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not required.

(Amounts in USD)

	As at March 31, 2025	As at March 31, 2024
4.1 : Investments		
Non-current investments		
Non-trade, Long-term, unquoted and at cost		
In subsidiary companies		
Investment in equity instruments (Unquoted)		
Quant Systems Inc.	159,000,000	159,000,000
(As at March 31, 2025 & As at March 31, 2024 12,308 shares at US $0.8 par value)		
Sonata Latin America S. de R.L. de C.V.	57	57
(As at March 31, 2025 & As at March 31, 2024 1 company interest)		
Sonata Software Canada Limited	756	756
(As at March 31, 2025 & As at March 31, 2024 1,000 shares at CAD 1 each)		
Equity instruments carried at fair value (Traded, quoted) through profit & loss		
Investment in Principal Financial Group Inc.,		
(As at March 31, 2025 & As at March 31, 2024: 138 shares of US $ 0.01 per share)	11,643	11,911
Equity instruments carried at fair value (Non-traded, unquoted) through OCI		
Investment in simple agreement for future equity - Retail 10X, Inc.	-	850,000
Investment - SemiCab Inc.	479	350,000
(As at March 31, 2025 & As at March 31, 2024 2,252,686 shares at face value of USD 0.225 per share)		
Investment - Treeni Sustainability Solutions Inc.	102,500	300,000
(As at March 31, 2025 & As at March 31, 2024 2,993,941 shares at face value of USD 0.00001 per share)		
Investment - Cloudlex Inc.	292,000	-
(As at March 31, 2025 & As at March 31, 2024 735,759 shares at face value of USD 0.00001 per share)		
Total	**159,407,435**	**160,512,724**
Aggregate book value of quoted investments	11,643	11,911
Aggregate market value of quoted investments	11,643	11,911
Aggregate carrying amount of unquoted investments	159,395,792	160,500,813
Investments carried at amortised cost	159,000,813	159,000,813
Investments carried at fair value through profit & loss	11,643	11,911
Investments carried at fair value through other comprehensive income	394,979	1,500,000
Current investments		
Investments carried at fair value through profit and loss:		
Investments in funds (Traded, quoted)		
HSBC US treasury money market funds	9,754,658	10,052,473
Total	**9,754,658**	**10,052,473**
Aggregate book value of quoted investments	9,754,658	10,052,473
Aggregate market value of quoted investments	9,754,658	10,052,473
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit & loss	9,754,658	10,052,473

(Amounts in USD)

	As at March 31, 2025	As at March 31, 2024
4.2 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Security deposits	10,000	10,000
Total	**10,000**	**10,000**
5 : Trade receivables		
Unsecured *		
Billed		
Considered good	27,983,358	19,777,712
Less: Allowance for credit losses	254,968	-
	27,728,390	19,777,712
Credit impaired	540,191	1,213,931
Less : Allowance for credit losses	540,191	1,213,931
	-	-
Unbilled	10,382,778	12,050,208
Total	**38,111,168**	**31,827,920**

Trade receivable ageing schedule

Particulars		Outstanding for the following period from due date of payments						Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	10,983,230	3,669,378	13,330,750	-	-	-	**27,983,358**
Undisputed Trade receivables - credit impaired	-	-	-	200,659	219,560	20,000	99,972	**540,191**
Disputed trade receivables - considered good	-	-	-	-	-	-	-	**-**
Less : Allowance for credit losses	-	(148,596)	(22,960)	(284,071)	(219,560)	(20,000)	(99,972)	**(795,159)**
Unbilled	10,382,778	-	-	-	-	-	-	**10,382,778**
Total	**10,382,778**	**10,834,634**	**3,646,418**	**13,247,338**	**-**	**-**	**-**	**38,111,168**
As at March 31, 2024								
Undisputed trade receivables - considered	-	18,396,442	309,261	232,733	47,121	495,663	296,492	**19,777,712**
Undisputed Trade receivables -	-	-	8,142	616,425	588,364	-	-	**1,212,931**
Disputed trade receivables - considered good	-	-	-	-	-	-	-	**-**
Less : Allowance for credit losses	-	-	(8,142)	(616,425)	(588,364)	-	-	**(1,212,931)**
Unbilled	12,050,208	-	-	-	-	-	-	**12,050,208**
Total	**12,050,208**	**18,396,442**	**309,261**	**232,733**	**47,121**	**495,663**	**296,492**	**31,827,920**

*Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in note 27.
For the amounts receivable from Related parties refer note 34.

	As at March 31, 2025	As at March 31, 2024
6.1 : Cash and cash equivalents		
Balances with banks		
In Current accounts	743,874	3,158,935
In deposit accounts with original maturity of less than 3 months*	12,965	40,712,615
Total	**756,839**	**43,871,550**

* The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

(Amounts in USD)

	As at March 31, 2025	As at March 31, 2024
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
Total	**20,000**	**20,000**

* Held as margin money by bank against bank guarantees

	As at March 31, 2025	As at March 31, 2024
6.3 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Advances recoverable from related parties (Refer note 34)	13,678,442	1,827,986
Security deposits	50,338	43,535
Compensation right asset (Refer note 27)	174,473	838,636
Interest accrued on term deposits	-	183,527
Dividend receivable from investments	-	3,500,000
Others	-	113,695
Total	**13,903,253**	**6,507,379**

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

	As at March 31, 2025	As at March 31, 2024
6.4 : Other current assets		
Unsecured, considered good		
Prepaid expenses	477,238	1,430,735
Contract assets (Refer note 23)	5,773,234	8,155,539
Advances to employees	79,377	22,736
Balances with Government authorities	10,214	4,287
Other recoverables	953,044	172,844
Insurance recoverables	1,374,912	1,659,773
Total	**8,668,019**	**11,445,914**

	As at March 31, 2025	As at March 31, 2024
7 : Equity share capital		
Authorized		
Common Stock 3,500,000 shares at $1 par value	**3,500,000**	**3,500,000**
(As at March 31, 2025 & March 31, 2024 Common Stock 3,500,000 shares at $1 par value)		
Issued, Subscribed and paid-up		
300,000 shares at $1 par value each fully paid-up	300,000	300,000
(As at March 31, 2025 & March 31, 2024 300,000 shares at $1 par value each fully paid-up)		
Total	**300,000**	**300,000**

Refer notes (i) to (iii) below:

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, 2025	
	No of shares	**Amount in USD**
Outstanding at the beginning of the year	300,000	300,000
Add: Share issued during the year	-	-
Outstanding at the end of the year	**300,000**	**300,000**

	As at March 31, 2024	
	No of shares	**Amount in USD**
Outstanding at the beginning of the year	300,000	300,000
Add: Share issued during the year	-	-
Outstanding at the end of the year	**300,000**	**300,000**

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.

(Amounts in USD)

	As at March 31, 2025	As at March 31, 2024

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

	As at March 31, 2025	
	No of shares	% of holding in the class
Sonata Software Limited	300,000	100%

	As at March 31, 2024	
	No of shares	% of holding in the class
Sonata Software Limited	300,000	100%

8 : Other equity

Retained earnings		
Opening balance	31,849,671	29,662,888
Profit for the year	34,600,733	2,186,783
Closing balance	**66,450,404**	**31,849,671**

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

Remeasurement of the defined benefit plans		
Opening balance	(361)	-
For the year, (net of tax)	-	(361)
Closing balance	**(361)**	**(361)**

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.

Equity instruments through other comprehensive income		
Opening balance	-	-
For the year	(1,105,021)	-
Closing balance	**(1,105,021)**	**-**

The remeasurement of (loss) / gain on equity instruments, that will not be reclassified to statement of profit and loss recognised in other comprehensive income.

Total	**65,345,022**	**31,849,310**

9 : Borrowings

Non-current		
Term loan		
From banks - Secured*	26,666,667	51,680,000
Total	**26,666,667**	**51,680,000**
Current		
Current portion of term loan*	25,000,000	23,320,000
Total	**25,000,000**	**23,320,000**

*The Company has availed US dollar loan secured by charge over property, plant and equipment, intangible and current assets of the Company and its subsidiary Quant Systems Inc., USA. The loan is repayable in 16 quarterly installments commencing from June, 2024 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Company has repaid an amount of USD 23.33 Million during the year.

(Amounts in USD)

	As at March 31, 2025	As at March 31, 2024
10 : Other financial liabilities		
Other liabilities	695,728	353,630
Total	**695,728**	**353,630**
11 : Trade payables		
Total outstanding dues of creditors	78,019,179	58,657,510
Total	**78,019,179**	**58,657,510**

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 27.
For the amounts receivable from Related parties refer note 34.

	As at March 31, 2025	As at March 31, 2024
12 : Other financial liabilities		
Interest accrued and not due on borrowings	34,233	58,260
Employee benefits payable	1,928,028	596,250
Payable for deferred consideration	47,895,880	111,459,037
Payable for contingent consideration	-	7,185,937
Reimbursable expenses payable to related party (Refer note 34)	3,245,460	1,036,119
Others	61,256	20,164
Total	**53,164,857**	**120,355,767**
13 : Other current liabilities		
Contract liabilities (Refer note 23)	2,848,320	466,574
Advances from customers	861,825	1,084,839
Statutory remittances	303,426	232,584
Other payables	30,491	48,535
Total	**4,044,062**	**1,832,532**
14 : Provisions		
Provision for employee benefits - compensated absences (Refer note 29)	1,120,250	1,263,370
Total	**1,120,250**	**1,263,370**
15 : Current tax liabilities (net)		
Provision for tax (net of advance tax USD 10,474,515 (for March 31, 2024 USD 9,884,562))	6,665,234	2,127,510
Total	**6,665,234**	**2,127,510**

(Amounts in USD)

	For the year ended March 31, 2025	For the year ended March 31, 2024

16A. Income taxes

The income tax asset is USD 563,149 (net of provision for tax of USD 5,642,111) as at March 31, 2025 and USD 495,898 (net of provision for tax of USD 5,642,111) as at March 31, 2024

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	4,331,970	2,074,545
Deferred Tax:		
In respect of current year (origination and reversal of temporary differences)	(630,021)	460,786
Total Income tax expense recognised in the statement of profit and loss	**3,701,949**	**2,535,331**
(b) Income tax recognised in other comprehensive income	**Nil**	**Nil**

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:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	38,302,682	4,722,114
Enacted income tax rate in India	21.00%	21.00%
Computed expected tax expense	8,043,563	991,644
Tax effect of:		
Items that are non- deductible in determining taxable profit	171,869	5,540,925
Items that are deductible in determining taxable profit	(4,303,793)	(4,571,926)
Taxes at lower rates (state taxes)	733,570	513,225
Tax on acquisition of intangibles	(1,015,772)	-
Others	72,512	61,463
Income tax expense recognised in the statement of profit and loss	**3,701,949**	**2,535,331**

The applicable US corporate federal tax rate for the year ended March 31, 2025 and March 31, 2024 are 21%.

16B. Deferred tax assets

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

Particulars	As at April 1, 2024	Recognised in profit & loss	Others	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment	(88,720)	(10,279)	-	-	(78,441)
Intangibles	(1,056,920)	(217,054)	-	-	(839,866)
Employee bonus	298,284	(221,249)	-	-	519,533
Leave encashment	291,576	24,475	-	-	267,101
Leases	10,617	10,617	-	-	-
Others	390,644	(216,531)	-	-	607,175
Total	**(154,519)**	**(630,021)**	**-**	**-**	**475,502**

Deferred Tax assets / (liabilities) as at March 31, 2024 in relation to:

Particulars	As at April 1, 2023	Recognised in profit & loss	Others	Recognised in other comprehensive income	As at March 31, 2024
Property, plant and equipment	(113,570)	(24,850)	-	-	(88,720)
Intangibles	-	-	(1,056,920)	-	(1,056,920)
Employee bonus	724,989	426,705	-	-	298,284
Leave encashment	197,780	(93,796)	-	-	291,576
Leases	15,553	4,936	-	-	10,617
Others	538,435	147,791	-	-	390,644
Total	**1,363,187**	**460,786**	**(1,056,920)**	**-**	**(154,519)**

(Amounts in USD)

	For the year ended March 31, 2025	For the year ended March 31, 2024
17 : Revenue from operations		
Revenue from software services	200,201,142	151,218,937
Revenue from hardware/software product and licenses	5,383,573	10,773,816
Other operating revenues	696,461	2,117,642
Total	**206,281,176**	**164,110,395**
17.1 : Other income		
Interest income	263,445	255,998
Dividend income from long-term investments in subsidiaries (Refer note 34)	21,200,000	21,500,000
Net gain on investments carried at fair value through profit or loss	336,834	271,077
Provision no longer required written back	137,441	1,985,989
Miscellaneous income	-	193
Total	**21,937,720**	**24,013,257**
18 : Purchase of stock-in-trade (traded goods)		
Purchase of stock-in-trade (traded goods)	4,865,645	8,690,462
Total	**4,865,645**	**8,690,462**
19 : Employee benefit expenses		
Salaries, wages and bonus	40,316,196	33,711,118
Contribution to funds	790,478	614,461
Staff welfare expenses	2,496,538	1,903,265
Total	**43,603,212**	**36,228,844**
20:Finance costs		
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	4,342,887	3,509,682
Lease liability (Refer note 35)	19,299	-
Unwinding of contingent consideration (Refer note 32)	2,000,611	5,257,812
Others	36,185	13,506
Other borrowing costs	-	32,204
Total	**6,398,982**	**8,813,204**
21:Depreciation and Amortization		
Depreciation of property, plant and equipment (Refer note 3.1)	115,089	117,560
Depreciation of right on use assets (Refer note 35)	220,235	-
Amortization of intangible assets (Refer note 3.2)	834,581	1,348,168
Total	**1,169,905**	**1,465,728**
22 : Other expenses		
Software project fees (Refer note 34)	90,251,885	79,374,715
Insourcing professional fees	36,567,802	20,350,361
Rates and taxes	1,310,329	969,972
Sales commission	1,386,860	1,621,688
Travelling and conveyance expenses	1,199,665	871,339
Professional and technical fees	731,346	590,439
Miscellaneous expenses	468,997	1,335,447
Impairment loss/(gain) recognised on trade receivable	245,391	(371,374)
Recruitment	234,102	699,999
Insurance	187,135	152,175
Communication cost	200,032	178,962
Rent (Refer note 35)	250,535	382,726
Software license fees	148,580	190,751
Legal fees	440,243	273,944
Facility maintenance	91,402	83,671
Bad debts	59,530	402,451
Net loss on foreign currency transaction and translation	73,957	50,735
Power and fuel	15,678	14,837
Payments to auditors	11,701	-
Repairs and maintenance	3,300	11,706
Advances to subsidiaries written off	-	28,967
Total	**133,878,470**	**107,213,511**

23 Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

(Amounts in USD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from software services (over the period)		
Time and material	68,495,126	62,819,549
Fixed price	132,402,477	90,517,030
Revenue from software product and licenses at a point in time	5,383,573	10,773,816
Total	**206,281,176**	**164,110,395**

Contract Price

Reconciliation of revenue recognized in the statement of profit and loss with the contracted price

(Amounts in USD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	207,799,575	165,252,180
Less: Adjustment for discounts	1,518,399	1,141,785
Revenue recognized in statement of Profit and Loss	**206,281,176**	**164,110,395**

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 March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**8,155,539**	**-**
Amount accrued during the year	55,642,958	12,940,820
Deduction on account of revenues billed during the year	(58,025,263)	(4,785,281)
Balance as at end of the year	**5,773,234**	**8,155,539**

Contract liabilities

The below table discloses the movement in the balance of contract liabilities:

(Amounts in USD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**466,574**	**528,546**
Additional amounts billed but not recognized as revenue	17,440,510	6,113,754
Deduction on account of revenues recognised during the year	(15,058,764)	(6,175,726)
Balance as at end of the year	**2,848,320**	**466,574**

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, 2025, other than those meeting the exclusion criteria mentioned above, is USD 74.05 million. The Company expects to recognize the revenue within the next one year is 17.65 million. 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.

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, 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
Financial assets					
Investments in mutual funds (quoted)	4.1	9,754,658	-	-	9,754,658
Investments in shares (quoted)	4.1	11,643	-	-	11,643
Investments in shares (unquoted)	4.1	-	394,979	-	394,979
Trade receivable	5.0	-	-	38,111,168	38,111,168
Cash and cash equivalents	6.1	-	-	756,839	756,839
Bank balances other than above	6.2			20,000	20,000
Other financial assets	4.2 & 6.3	-	-	13,913,253	13,913,253
Total		**9,766,301**	**394,979**	**52,801,260**	**62,962,540**
Financial liabilities					
Borrowings	9	-	-	51,666,667	51,666,667
Trade payables	11	-	-	78,019,179	78,019,179
Lease liabilities	35	-	-	302,400	302,400
Other financial liabilities	10 & 12	-	-	53,860,585	53,860,585
Total		**-**	**-**	**183,848,831**	**183,848,831**

The carrying value of financial instruments by categories as at March 31, 2024 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
Financial assets					
Investments in mutual funds (quoted)	4.1	10,052,473	-	-	10,052,473
Investments in shares (quoted)	4.1	11,911	-	-	11,911
Investments in shares (unquoted)	4.1	-	1,500,000	-	1,500,000
Trade receivable	5.0	-	-	31,827,920	31,827,920
Cash and cash equivalents	6.1	-	-	43,871,550	43,871,550
Bank balances other than above	6.2			20,000	20,000
Other financial assets	4.2 & 6.3	-	-	6,517,379	6,517,379
Total		**10,064,384**	**1,500,000**	**82,236,849**	**93,801,233**
Financial liabilities					
Borrowings	9	-	-	75,000,000	75,000,000
Trade payables	11	-	-	58,657,510	58,657,510
Other financial liabilities	10 & 12	-	-	120,709,397	120,709,397
Total		**-**	**-**	**254,366,907**	**254,366,907**

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 following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2025 and March 31, 2024.

Quantitative disclosures of fair value measurement hierarchy for financial assets is as under:

(Amounts in USD)

Particulars	**Fair value as at**		**Fair value hierarchy**
	March 31, 2025	**March 31, 2024**	
Investments in mutual funds (quoted)	9,754,658	10,052,473	Level 1
Investments in equity instruments (quoted)	11,643	11,911	Level 1
Investment in equity instruments	394,979	1,500,000	Level 3
Fair value of contingent consideration payable	47,895,880	118,644,974	Level 3

i) Reconciliation of fair value measurement of investment in Unquoted equity instrument classified as FVTOCI (Level 3):

(Amounts in USD)

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Opening balance	1,500,000	1,500,000
Remeasurement recognised in OCI	(1,105,021)	-
Closing balance	**394,979**	**1,500,000**

ii) Reconciliation of fair value measurement of payables for acquisition of subsidiaries classified as FVTPL (Level 3):

(Amounts in USD)

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Opening balance	118,644,974	101,205,112
Additions during the year	-	-
Fair value measurement recognised in consolidated statement of profit and loss	2,000,611	5,257,812
Remeasurement recognised in consolidated statement of profit and loss	-	20,989,789
Payout during the year	(70,530,759)	(4,236,372)
Other adjustments	(2,218,946)	(4,571,367)
Closing balance	**47,895,880**	**118,644,974**

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 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 primerily 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, 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):

(Amounts in USD)

Particulars	**For the year ended**	
	March 31, 2025	**March 31, 2024**
Revenue from two customer having more than 10% of total revenue	79,083,197	75,988,224

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 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

(Amounts in USD)

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning of the year	1,213,931	746,669
Allowance/(reversal) for expected credit loss (net)*	(359,242)	869,713
Bad debts written off during the year	(59,530)	(402,451)
Balance at the end of the year	**795,159**	**1,213,931**

* The Company has reversed compensation right asset amounting to USD 664,163 against the allowance for expected credit loss. The Company has disclosed the remaining amount of USD 304,921 as allowance for expected credit loss. (As at March 31, 2024: The Company has adjusted compensation right asset amounting to USD 838,636 against the allowance for expected credit loss. The Company has disclosed the remaining amount of USD 31,077 as allowance for expected credit loss). (Refer note 2.2 (n) 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.

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:

(Amounts in USD)

Particulars	March 31, 2025	March 31, 2024
Cash and cash equivalents	756,839	43,871,550
Investments in mutual funds (quoted)	9,754,658	10,052,473
Trade receivables	38,111,168	31,827,920
Other financial assets	13,903,253	6,507,379
Other current assets	8,668,019	11,445,914

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and March 31, 2024:

(Amounts in USD)

Particulars	As at March 31, 2025			
	Less than 1 year	1-2 years	2 years & above	Total
Borrowings	25,000,000	13,333,333	13,333,334	51,666,667
Trade payables	78,019,179	-	-	78,019,179
Lease liabilities	103,458	105,217	120,240	328,915
Other financial liabilities	53,898,728	-	-	53,898,728

Particulars	As at March 31, 2024			
	Less than 1 year	1-2 years	2 years & above	Total
Borrowings	23,333,333	25,000,000	26,666,667	75,000,000
Trade payables	58,657,510	-	-	58,657,510
Other financial liabilities	120,355,767	400,538	-	120,756,305

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 Indina rupees, British pound sterling, Mexican Peso and Canadian dollars). The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

Exposure currency: **Amounts in USD**

As at March 31, 2025	INR	CAD	MXN	GBP	Others
Assets					
Trade receivables	-	273,461	-	-	-
Liabilities					
Trade payables	796,848	-	661,703	143,249	87,667
Other liabilities	181,467	-	-	10,797	29,897
Net assets/liabilities	**(978,315)**	**273,461**	**(661,703)**	**(154,046)**	**(117,564)**

As at March 31, 2024	INR	CAD	MXN	GBP	Others
Assets					
Trade receivables	-	99,075	-	-	-
Liabilities					
Trade payables	816,722	1,583	50,940	797,375	-
Other liabilities	88,360	-	-	10,731	132,679
Net assets/liabilities	**(905,082)**	**97,492**	**(50,940)**	**(808,106)**	**(132,679)**

A reasonably possible strengtening by 1% of respective currency against the USD as at March 31, 2025 and March 31, 2024 will affect the statement of profit and loss by the amounts shown below:

Amounts in USD

Currencies	March 31, 2025	March 31, 2024
INR	(9,783)	(9,051)
CAD	2,735	975
MXN	(6,617)	(509)
GBP	(1,540)	(8,081)
Others	(1,175.64)	(1,326.79)

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:

(Amounts in USD)

Particulars	March 31, 2025	March 31, 2024
Total equity attributable to the equity share holders of the Company	65,645,022	32,149,310
As percentage of total capital	56%	30%
Total borrowings	51,666,667	75,000,000
Total lease liabilities	302,400	-
Total borrowings and lease liabilities	**51,969,067**	**75,000,000**
As a percentage of total capital	44%	70%
Total capital (borrowings and equity)	**117,614,089**	**107,149,310**

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always 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

i) Other employee benefits - Compensated absences

As per valuation

The compensated absences 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, 2025	March 31, 2024
Discount rate(s)	4.81%	4.83%
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%	0%

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

(Amounts in USD)

Particulars	**March 31, 2025**	**March 31, 2024**
Current liability	1,120,250	1,263,370
Present value of compensated absences	**1,120,250**	**1,263,370**

Sensitivity for significant actuarial assumptions is computed to show the impact in defined benefit obligation by 100 basis points:

(Amounts in USD)

Particulars	**March 31, 2025**		**March 31, 2024**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (100 basis points movement)	1,105,911	1,135,934	1,001,453	1,016,063
Future salary growth (100 basis points movement)	1,178,503	1,104,454	1,017,149	1,000,330

Expected Future Cashflows:

(Amounts in USD)

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Year 1	715,366	52,718
Year 2	48,616	859,292
Year 3	45,578	23,015
Year 4	38,722	22,744
Year 5	16,870	16,097
Year 6 to 10	77,240	35,284
Above 10 years	70,289	45,718

30 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole 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 gerographical 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 USA

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, 2025**	**Year ended March 31, 2025**
Profit after tax attributable to equity shareholders (a)	34,600,733	2,186,783
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)	115.34	7.29
Diluted earning per share (a/c) (USD)	115.34	7.29

32 Business Combinations

Acquisition of Quant Systems Inc.

Sonata Software North America Inc., (SSNA) a wholly owned subsidiary of Sonata Software Limited, had acquired 100% stake in the Quant systems Inc., (Quant) on March 10, 2023. The purchase consideration included contingent consideration payable over two years based on Quant achieving certain financial targets in the year ended December 31, 2023 and December 31, 2024. The amounts payable for calendar year 2023 were finalized and paid during the year. Currently, the Company and the selling shareholders of Quant are in the process of renegotiation of certain terms for the year ended December 31, 2024, which is expected to be consummated within the next financial year.

Deferred contingnet consideration remeasurement
Quant Systems Inc.

The Company has re-measured the fair value of the contingent consideration payable to be USD 105,418,256 as at March 31, 2024, thereby an increase of USD 17,118,256.

Encore Software Services, Inc.

The Company had re-measured the fair value of the contingent consideration payable, which has resulted in the change in fair value by USD 3,871,533 to USD 13,226,718 as at 31 March, 2024.

The above changes in fair value of contingent consideration payable amounting to USD 20,989,789 is owing to better financial performance of the acquired entities and are recorded in the Statement of Profit and Loss. 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.

33. Business Combination under Common Control

On 28 June 2024, Sonata Software LLC, wholly-owned subsidiary merged with Sonata Software North America Inc.. This transaction is considered a common control transaction as both entities were ultimately controlled by Sonata Software Limited before and after the merger.

On 27 August 2024, Encore US Inc. wholly-owned subsidiary merged with Sonata Software North America Inc. This transaction is considered a common control transaction as both entities were ultimately controlled by Sonata Software Limited before and after the merger.

The above mergers were approved by the State Company Registry.

Accounting treatment of the Scheme of Merger:

1. The mergers have been accounted for using the pooling of interests method as prescribed under Appendix C of Ind AS 103. Accordingly, the assets and liabilities of both entities have been combined at their carrying amounts from 1 April 2023 onwards. No consideration was transferred as the merger involved entities under common control.

2. Intercompany balances have been eliminated on merger

Reconciliation of total equity as at March 31, 2024

Particulars	**March 31, 2024**
Total equity before merger	38,549,348
Impact of merger	(6,700,045)
Total equity after merger	**31,849,303**

The financial statements for the year ended March 31, 2024 have been restated to reflect the merger as if it had occurred from the beginning of the earliest period presented i.e April 1, 2023. The comparative information for the previous periods has also been restated accordingly.

Goodwill and intangibles as appearing in the consolidated financial statements of ultimate holding company (Sonata Software Limited) with respect to acquisition of Sonata Software LLC and Encore US Inc. amounting to USD 10,760,217 and USD 5,405,807 respectively has been recorded in the standalone financial statements as on April 1, 2023.

SONATA SOFTWARE NORTH AMERICA INC.
Notes to the financial statements for the year ended March 31, 2025

Restated figures in the Balance Sheet (Amounts in USD)

Particulars	Reported as March 31, 2024	Impact of Merger	Eliminations	Restated as on March 31, 2024
Non-current assets				
Property, plant and equipment	367,317	1,707	-	369,024
Intangibles	-	-	4,057,639	4,057,639
Goodwill	11,963,410	-	10,760,217	22,723,627
	12,330,727	**1,707**	**14,817,856**	**27,150,290**
Financial assets				
Investments	182,192,720	-	(21,679,997)	160,512,723
Other financial assets	53,535	(43,535)	-	10,000
Deferred tax assets (net)	1,059,120	(2,218)	(1,056,902)	-
Income tax assets (net)	-		495,898	495,898
	183,305,375	**(45,753)**	**(22,241,001)**	**161,018,621**
Current Assets				
Financial assets				
Investments - current	10,052,473	-	-	10,052,473
Trade receivables	16,491,585	15,336,335	-	31,827,920
Cash and cash equivalents	42,360,962	1,510,587	-	43,871,549
Bank balances other than above	-	20,000		20,000
Loans	775,054	(775,000)	(54)	-
Other financial assets	28,523,024	(21,628,573)	(387,072)	6,507,379
Other current assets	1,702,942	9,742,971	-	11,445,913
	99,906,040	**4,206,320**	**(387,126)**	**103,725,234**
Total	**295,542,142**	**4,162,274**	**(7,810,271)**	**291,894,145**
Equity				
Equity Share capital	300,000	48,000	(48,000)	300,000
Other equity	38,549,348	1,171,053	(7,871,098)	31,849,303
	38,849,348	**1,219,053**	**(7,919,098)**	**32,149,303**
Non-current liabilities				
Financial liabilities				
Borrowings	51,680,000	-	-	51,680,000
Other financial liabilities	-	353,631	-	353,631
Other non-current liabilities	393,815	(393,815)	-	-
Deferred tax liability	-	154,519	-	154,519
	52,073,815	**114,335**	**-**	**52,188,150**
Current liability				
Borrowings	23,320,000	-	-	23,320,000
Trade payables	57,054,491	1,621,399	(18,380)	58,657,510
Other financial liabilities	120,408,767	315,693	(368,692)	120,355,768
Other current liabilities	1,143,099	689,433	-	1,832,532
Provisions	1,168,139	95,231	-	1,263,370
Current tax liabilities	1,524,484	107,130	495,898	2,127,512
	204,618,979	**2,828,886**	**108,827**	**207,556,692**
Total	**295,542,142**	**4,162,274**	**(7,810,271)**	**291,894,145**

Restated figures of statement of profit and loss

Revenue from hardware/software product and licenses	8,829,242	1,953,074	-	10,782,316
Revenue from operations	130,332,513	22,995,569	-	153,328,082
Other income	27,676,508	91,148	(3,754,399)	24,013,257
Total revenue	**166,838,263**	**25,039,791**	**(3,754,399)**	**188,123,655**
Expenses				
Purchase of stock-in-trade (traded goods)	6,906,622	1,783,840	-	8,690,462
Employee benefit expenses	33,511,766	2,717,078	-	36,228,844
Finance costs	8,813,204	54,399	(54,399)	8,813,204
Depreciaiton and Amortization	114,459	3,100	1,348,169	1,465,728
Other expenses	91,401,133	19,532,513	(3,720,135)	107,213,511
Total expenses	**140,747,184**	**24,090,930**	**(2,426,365)**	**162,411,749**
Profit before exceptional item and tax	**26,091,079**	**948,861**	**(1,328,034)**	**25,711,906**
Exception item	20,989,789	-	-	20,989,789
Tax expense	1,362,859	1,172,472	-	2,535,331
Profit after tax	**3,738,431**	**(223,611)**	**(1,328,034)**	**2,186,786**

34 Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
(a) Holding company	Sonata Software Limited
(b) Wholly owned subsidiaries	Sonata Latin America S. de R.L. de C.V. Sonata Software Canada Ltd Quant Systems Inc. Quant Cloud Solutions Private Limited Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC) Woodshed LLC
(b) 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
(c) Key management personnel (KMP)	Samir Dhir - Group CEO Jagannathan C N – Group CFO Sharmila Sherikar – President & Director Satish Reddy Madur – Director Santos Jha - Director Mangal Kulkarni – Group Secretary

ii) Transactions with related parties :

Particulars	March 31, 2025	March 31, 2024
Revenue from services		
Quant Systems Inc.	673,134	96,000
Sonata Information Technology Limited	208,850	-
Insourcing professional fees		
Quant Systems Inc.	18,853,396	-
Purchase of Software products and licenses		
Sonata Information Technology Limited	146,712	3,737
Sonata Software Limited	-	13,358
Software project fees		
Sonata Software Limited	58,854,689	52,496,841
Encore IT Services Solutions Private Limited	4,856,412	-
Quant Systems Inc	1,376,449	592,600
Sonata Europe Limited	625,289	797,375
Sonata Software Intercontinental Limited	140,493	-
Sonata Latin America S. de R.L. de C.V.	7,166,189	1,119,248
Sonata Software Malaysia SDN. BHD.	1,659,561	730,178
Sonata Information Technology Limited	340,559	-
Sonata Software Solutions Limited	15,232,244	13,208,933
Dividend income		
Quant Systems Inc	21,200,000	21,500,000
Reimbursement of expenses paid		
Gapbuster Worldwide Pty Ltd		
Sonata Software Worldwide Malaysia Sdn. Bhd.	12,640	133,583
Quant Systems Inc	2,218,946	750,041
Sonata Europe Limited	83,752	10,742
Sonata Information Technology Limited	-	3,000
Sonata Software Canada Ltd	102,415	-
Sonata Software Limited	87,962	86,300
Encore IT Services Solution Pvt Ltd	1,927	-
Sonata Software (Shanghai) Co. Ltd	29,897	-
Sonata Software Solutions Limited	3,239	1,000

Reimbursement of expenses received		
Gapbuster Inc	-	18,555
Quant Systems Inc	73,772	-
Sonata Europe Limited	3,263	13,150
Sonata Information Technology Limited	91,109	1,041,686
Sonata Software Canada Ltd	3,523	617,403
Sonata Latin America S. de R.L. de C.V.	852,277	589,977
Sonata Software Limited	238,595	38,199
Sonata Software (Qatar) LLC	-	33,287
Sonata Software Malaysia SDN. BHD.	-	7,928
Sonata Software Solutions Limited	7,891	17,188
Compensation of key management personnel of the Company		
Short-term employee benefits	1,072,569	773,217
<u>Balances outstanding at the end of the year</u>		
Trade Receivables		
Sonata Software Limited	-	124,777
Quant Systems Inc	765,688	96,000
Sonata Software Intercontinental Limited	4,654	-
Sonata Information Technology Limited	208,850	202
Sonata Software Malaysia SDN. BHD.	-	19,822
Trade Payables		
Encore IT Services Solutions Private Limited	447	-
Sonata Latin America S. de R.L. de C.V.	661,703	50,940
Sonata Software Solutions Limited	12,177,456	5,661,373
Sonata Software Limited	58,029,162	44,008,838
Sonata Europe Limited	143,249	797,375
Quant Systems Inc	-	592,600
Sonata Software Malaysia SDN. BHD.	78,067	-
Sonata Information Technology Limited	189,975	-
Reimbursement of expenses payable		
Sonata Software Limited	173,043	86,622
Sonata Software Solutions Limited	6,498	1,738
Sonata Europe Limited	10,797	10,731
Sonata Software (Shanghai) Co. Ltd	29,897	132,679
Quant Systems Inc	2,968,987	750,041
Encore IT Services Solution Pvt Ltd	1,927	-
Reimbursement of expenses receivable		
Sonata Software Limited	27,971	837,713
Sonata Europe Limited	-	20,532
Sonata Information Technology Limited	36,165	316,362
Sonata Software Canada Ltd	299	14,705
Sonata Latin America S. de R.L. de C.V.	767,057	591,307
Sonata Software (Qatar) LLC	4,315	4,277
Sonata Software Malaysia SDN. BHD.	7,928	7,928
Sonata Software Solutions Limited	-	16,608
Gapbuster Inc	-	18,555
Quant Systems Inc	12,834,706	-
Dividend receivable		
Quant Systems Inc		3,500,000

35 : Leases

The Company leases mainly comprise of buildings. The Company leases buildings for operational purposes. Ind AS 116 has been adopted by the Company effective from 1 April 2024 onwards.

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

(Amounts in USD)

Particulars	As at March 31, 2025	As at March 31, 2024
Additions during the year	471,318	-
Deletion	-	-
Depreciation for the year	(220,235)	-
Balance at the end of the year	**251,083**	**-**

Incremental borrowing rate used for discounting of lease liabilities is 1.58% - 5.28% based on the lease term.
The lease term generally ranges from 3.5 to 5.5 years

The following is the movement in lease liabilities: (Amounts in USD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Non-cash changes		
Additions	471,318	-
Finance cost accrued during the year	19,299	-
Deletions	-	-
Cash changes	-	
Payment of lease liabilities	(188,217)	-
Balance at the end of the year	**302,400**	**-**

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

(Amounts in USD)

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	100,553	-
Non-current lease liabilities	201,847	-
Total	**302,400**	**-**

Contractual maturities of lease liabilities
The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

(Amounts in USD)

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	103,458	-
Later than one year and not later than 5 years	225,457	-
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 USD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year	19,299	-
Depreciation on ROU assets	220,235	-
Rent expense pertaining to short-term lease (Refer note 22)*	250,535	382,726
Total	**490,069**	**382,726**

* 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

Amrit Bhansali
Partner
Membership No. 065155

Place : Mumbai
Date : 07 May 2025

For and on behalf of the Board of Directors of
SONATA SOFTWARE NORTH AMERICA INC.

Sharmila Sherikar
Director & President

Place : New Jersey
Date : 05 May 2025

Satish Reddy Madur
Director

Place : Seattle
Date : 05 May 2025

SONATA EUROPE LIMITED
Balance Sheet

			Amount in GBP
		As at	**As at**
	Note No.	**March 31, 2025**	**March 31, 2024**
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	**3.1**	13,268	7,528
Goodwill	**3.2**	193,514	205,013
Other intangible assets	**4**	932,486	1,402,187
Financial assets			
Investments	**5**	2,038,618	2,038,618
Other financial assets	**6**	39,780	39,780
Income tax assets (net)	**18A**	506,637	507,957
Deferred tax assets (net)	**18B**	-	318,989
Total non-current assets		**3,724,303**	**4,520,072**
CURRENT ASSETS			
Financial assets			
Trade receivables	**7**	3,486,565	3,421,401
Cash and cash equivalents	**8**	940,097	806,430
Other financial assets	**9**	1,127,460	1,885,551
Loans	**9.1**	140,824	880,609
Other current assets	**10**	1,865,460	1,213,673
Total current assets		**7,560,406**	**8,207,664**
Total assets		**11,284,709**	**12,727,736**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	**11**	2,460,360	2,460,360
Other equity	**12**	528,971	4,481,601
Total Equity		**2,989,331**	**6,941,961**
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities			
Trade payables	**13**	5,334,602	4,453,880
Other financial liabilities	**14**	1,492,279	296,225
Other current liabilities	**15**	765,647	389,455
Provisions	**16**	235,383	179,052
Current tax liabilities (net)	**17**	467,467	467,163
Total current liabilities		**8,295,378**	**5,785,775**
Total equity and liabilities		**11,284,709**	**12,727,736**
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 : Mumbai
Date : 07 May 2025

Uttam Hazari
Director

Place : London
Date : 06 May 2025

Adam Kaye
Director

Place : London
Date : 06 May 2025

SONATA EUROPE LIMITED

Statement of Profit and Loss

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
			Amount in GBP
REVENUE			
Revenue from operations	**19**	13,980,846	16,083,219
Other income	**20**	58,560	590,278
Total Income		**14,039,406**	**16,673,497**
EXPENSES			
Purchase of stock-in-trade (traded goods)	**21**	743,513	745,344
Employee benefit expenses	**22**	2,949,846	2,369,261
Depreciation and amortization expense	**23**	412,779	470,491
Other expenses	**24**	13,566,909	14,604,588
Total Expenses		**17,673,047**	**18,189,684**
Profit/(Loss) before tax		**(3,633,641)**	**(1,516,187)**
Tax expense			
Current tax expense	**18A**	-	27,668
Deferred tax	**18B**	318,989	(345,651)
Net tax expense		318,989	(317,983)
Profit/(Loss) after tax		**(3,952,630)**	**(1,198,204)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(3,952,630)**	**(1,198,204)**
Earnings per share - (on GBP 1 per share)	**34**		
Basic (in GBP)		(4,940.79)	(1,497.75)
Diluted (in GBP)		(4,940.79)	(1,497.75)
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 : Mumbai
Date : 07 May 2025

For and on behalf of the Board of Directors of
Sonata Europe Limited

Uttam Hazari
Director

Place : London
Date : 06 May 2025

Adam Kaye
Director

Place : London
Date : 06 May 2025

SONATA EUROPE LIMITED
Statement of Cash flows

		For the year ended March 31, 2025	For the year ended March 31, 2024
			Amount in GBP
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		**(3,633,641)**	**(1,516,187)**
Adjustments for :			
Depreciation and amortization expense		412,779	470,491
Impairment loss/(gain) recognised on trade receivable		-	78,296
Provision no longer required (net)		(24,014)	(528,849)
Interest income		(34,546)	(61,429)
Unrealized foreign exchange (gain) / loss		32,474	115,124
Operating Profit/(Loss) before working capital changes		**(3,246,948)**	**(1,442,554)**
Adjustments for :			
Decrease/(increase) in trade receivables		59,433	487,939
Decrease/(increase) in other current assets		(651,788)	(1,196,627)
Decrease/(increase) in other financial assets		759,411	1,066,881
(Decrease)/increase in trade payables		830,053	862,873
(Decrease)/increase in other current liabilities		381,165	(118,346)
(Decrease)/increase in other financial liabilities		1,196,054	(117,701)
(Decrease)/increase in short-term provisions		56,331	103,602
Net cash flow from / (used in) operations		**(616,289)**	**(353,933)**
Income taxes paid (net of refunds)		-	(61,787)
Net cash flow from / (used in) operating activities	**A**	**(616,289)**	**(415,720)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including intangible assets, CWIP		(9,051)	(9,299)
Interest received		34,546	61,429
Inter-corporate loans given		(227,952)	(81,707)
Inter-corporate loans recovered		952,413	291,572
Net cash flow from / (used in) investing activities	**B**	**749,956**	**261,995**
Net cash flow from / (used in) financing activities	**C**	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	133,667	(153,725)
Opening cash and cash equivalents		806,430	960,155
Closing cash and cash equivalents		**940,097**	**806,430**
Balances with banks			
In Current accounts		940,097	806,430
Total		**940,097**	**806,430**

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 : Mumbai
Date : 07 May 2025

For and on behalf of the Board of Directors of
Sonata Europe Limited

Uttam Hazari	**Adam Kaye**
Director	Director
Place : London	Place : London
Date : 06 May 2025	Date : 06 May 2025

SONATA EUROPE LIMITED
Statement of changes in equity

(a) Equity

Equity share capital — **Amount in GBP**

Particulars (Refer note 11)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**800**	**800**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**800**	**800**

Convertible Preference share capital — **Amount in GBP**

Particulars (Refer note 11)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,459,560	2,459,560
Changes in convertible preference share capital during the year	-	-
Balance at the end of the year	**2,459,560**	**2,459,560**

(b) Other equity

Amount in GBP

Particulars	Reserves and Surplus		Total other equity
	Capital redemption reserve	Retained earnings	
Balance as at April 1, 2023	**3,235,440**	**2,444,365**	**5,679,805**
(Loss) for the year	-	(1,198,204)	(1,198,204)
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income for the year	**-**	**(1,198,204)**	**(1,198,204)**
Balance as at March 31, 2024	**3,235,440**	**1,246,161**	**4,481,601**
Balance as at April 1, 2024	**3,235,440**	**1,246,161**	**4,481,601**
Loss for the year	-	(3,952,630)	(3,952,630)
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income for the year	**-**	**(3,952,630)**	**(3,952,630)**
Balance as at March 31, 2025	**3,235,440**	**(2,706,469)**	**528,971**

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 : Mumbai
Date : 07 May 2025

Place : London
Date : 06 May 2025

Place : London
Date : 06 May 2025

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 is company 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 Sonta Europe Limited.

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 31 March 2025; 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 2025, 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 financial years 2023-24 included in these financial statements have not been audited.

The Company has incurred losses of GBP 3,952,630 (Previous year is GBP 1,198,204) during financial year ended March 31, 2025 and as of that date, the Company's current liabilities exceeded its current assets by GBP 734,972. The Company has incurred operating cash losses of GBP 3,246,948 in the current year (Previous year is GBP 1,442,554). 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) Contingent liabilities

Refer note 2.2 (o)

v) 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)

vi) Other estimates

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness, existing market conditions at the end of each reporting period.

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 it 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 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

Asset class	Useful life
Plant and equipments (Hardware)	3 years
Lease hold improvements	lease term or useful life whichever is earlier

Written down method

Asset class	Depreciation rate
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

Asset class	Useful life
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 OCI. The accumulated gains or losses on such investments are not recycled to the statement of profit and loss even on sale of such investment.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are not reclassified to statement of profit or 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.

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.

Long-term employee benefits

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 absenses 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 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. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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.

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.

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. 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.

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.

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. 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.

c) 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.

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.

l. 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 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 acumulated depreciation) had no impairement 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").

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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Sonata Europe Limited

Notes to the financial statements for the year ended March 31, 2025

3.1 : Property, Plant and Equipment **Amount in GBP**

	Tangible Assets			
Particulars	**Leasehold Improvements**	**Furniture and Fixtures**	**Plant and Equipments**	**Total Tangible Assets**
Cost				
As at April 1, 2023	**93,005**	**24,595**	**-**	**117,600**
Additions	-	-	9,299	**9,299**
Disposal/Write off	-	-	-	**-**
As at March, 31, 2024	**93,005**	**24,595**	**9,299**	**126,899**
As at April 1, 2024	**93,005**	**24,595**	**9,299**	**126,899**
Additions	-	-	9,051	**9,051**
Disposal/Write off	-	-	-	**-**
As at March 31, 2025	**93,005**	**24,595**	**18,350**	**135,950**
Accumulated depreciation				
As at April 1, 2023	**93,005**	**24,595**	**-**	**117,600**
Depreciation for the year	-	-	1,771	**1,771**
As at March, 31, 2024	**93,005**	**24,595**	**1,771**	**119,371**
As at April 1, 2024	**93,005**	**24,595**	**1,771**	**119,371**
Depreciation for the year	-	-	3,311	**3,311**
As at March 31, 2025	**93,005**	**24,595**	**5,082**	**122,682**
Net carrying value				
As at March 31, 2025	**-**	**-**	**13,268**	**13,268**
As at March, 31, 2024	**-**	**-**	**7,528**	**7,528**

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2025 and for the year ended March 31, 2024.

-No revaluation of tangible assets were carried out for the year ended March 31, 2025 and for the year ended March 31, 2024.

3.2 Goodwill

	Amount in GBP
As at April 1, 2023	**215,284**
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	(10,271)
As at Mar 31, 2024	**205,013**
As at April 1, 2024	**205,013**
Acquisitions through business combinations	-
Effect of foreign currency exchange differences	(11,499)
As at Mar 31, 2025	**193,514**
Accumulated Impairment	
As at April 1, 2023	**-**
Effect of foreign currency exchange differences	-
As at Mar 31, 2024	**-**
As at April 1, 2024	**-**
Effect of foreign currency exchange differences	-
As at Mar 31, 2025	**-**
Net carrying value	
As at Mar 31, 2025	**193,514**
As at Mar 31, 2024	**205,013**

Impairment

Assessment for impairment is done at each balance sheet date as to whether there is any indication that a non-financial asset may be impaired. Goodwill is subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the statement of profit and loss.

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. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. 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.
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.

At the end of each reporting period presented, the recoverable amount of a CGU is higher of its fair value less cost to sell and its value-in-use. The value in use determined based on the specific calculations. These calculations are based on net present value of cash flow projections over a period of five years discounted at the rate of 18% (FY 2023-24 18%), pre-tax, which is arrived after consulting the valuation experts. The Company has considered steady growth rate of 12% YoY from FY 2024-25 onwards (FY 2023-24 12% YOY). The discount rate used in the calculation reflects market's assessment of these risks specific to the asset as well as time value of money. EBITDA margins considered in the projections are based on international services and for FY 2024-25 onwards it is taken at 9% (FY 2023-24 8%) based on financial budgets approved by management.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter at 2% (FY 2023-24 2%). 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 future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

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 growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's strategic plans.

The Company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

As at March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not required.

4 : Other intangible assets

Intangible assets **Amount in GBP**

Particulars	Non Compete	Customer relationship	Brand Value	Internally generated	Total Intangible Assets
Cost					
As at April 1, 2023	**324,761**	**974,284**	**433,015**	**1,786,188**	**3,518,248**
Additions	-	-	-	-	**-**
Translation adjustments	(15,825)	(47,474)	(21,099)	(87,035)	**(171,433)**
As at Mar 31, 2024	**308,936**	**926,810**	**411,916**	**1,699,153**	**3,346,815**
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)**
As at Mar 31, 2025	**291,614**	**874,844**	**388,820**	**1,603,882**	**3,159,160**
Accumulated amortization					
As at April 1, 2023	**323,258**	**264,484**	**129,303**	**888,959**	**1,606,004**
Amortization	1,608	96,312	47,086	323,714	**468,720**
Translation adjustments	(15,930)	(23,540)	(11,507)	(79,119)	**(130,096)**
As at Mar 31, 2024	**308,936**	**337,256**	**164,882**	**1,133,554**	**1,944,628**
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)**
As at Mar 31, 2025	**291,614**	**398,983**	**195,058**	**1,341,019**	**2,226,674**
Net carrying value					
As at Mar 31, 2025	**-**	**475,861**	**193,762**	**262,863**	**932,486**
As at Mar 31, 2024	**-**	**589,554**	**247,034**	**565,599**	**1,402,187**

	As at March 31, 2025	As at March 31, 2024
		Amount in GBP
5 : Investments		
Non-current investments		
In subsidiary companies		
Investment in equity instruments (Non-traded, Unquoted)		
Gapbuster Worldwide Pty Ltd	2,038,618	2,038,618
(As at 31 March 2025 & As at 31 March 2024 336,000 shares)		
Gapbuster Inc	-	-
(As at 31 March 2025 & As at 31 March 2024 1 share)		
Sonata Software Japan KK	-	-
(As at 31 March 2025 & As at 31 March 2024 60 shares)		
Total	**2,038,618**	**2,038,618**
Aggregate book value 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
6 : Other financial assets (Carried at amortised, unless otherwise stated)		
Unsecured, considered good		
Security deposits	39,780	39,780
Total	**39,780**	**39,780**
7 : Trade receivables (Carried at amortised, unless otherwise stated)		
Unsecured		
Considered good	3,050,481	2,839,032
Less: Allowance for credit losses	9,820	-
	3,040,661	2,839,032
Credit impaired	6,752	76,820
Less: Allowance for credit losses	6,752	76,820
	-	-
Unbilled revenue	445,904	582,369
Total	**3,486,565**	**3,421,401**

For the amounts payable to related parties refer note 36.
Information about the company’s exposure to credit and market risks, and impairment losses for other financial assets are included in note 30.

Trade receivable ageing schedule

Particulars	Unbilled	Outstanding for the following period from due date of payments						Total
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	881,949	1,334,478	582,975	251,079	-	-	3,050,481
Undisputed Trade receivables - credit impaired	-	-	-	6,752	-	-	-	6,752
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(2,839)	(4,296)	(8,629)	(808)	-	-	(16,572)
Unbilled	445,904	-	-	-	-	-	-	445,904
Total	**445,904**	**879,110**	**1,330,182**	**581,098**	**250,271**	**-**	**-**	**3,486,565**

Particulars	Unbilled	Outstanding for the following period from due date of payments						Total
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024								
Undisputed trade receivables - considered good	-	1,673,891	982,695	158,205	24,241	-	-	2,839,032
Undisputed Trade receivables - credit impaired	-	-	-	-	48,254	16,740	11,826	76,820
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	-	(48,254)	(16,740)	(11,826)	(76,820)
Unbilled	582,369	-	-	-	-	-	-	582,369
Total	**582,369**	**1,673,891**	**982,695**	**158,205**	**24,241**	**-**	**-**	**3,421,401**

	As at March 31, 2025	As at March 31, 2024
8 : Cash and cash equivalents		
Balances with banks		
In Current accounts	940,097	806,430
Total	**940,097**	**806,430**

Amount in GBP

	As at March 31, 2025	As at March 31, 2024
9 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Advances recoverable from related parties (Refer note 36)	1,124,489	1,885,551
Compensation right asset (Refer note 30)	2,971	-
Total	**1,127,460**	**1,885,551**
9.1 : Loans		
Inter-corporate deposits	140,824	880,609
Total	**140,824**	**880,609**
10 : Other current assets		
Unsecured, considered good		
Contract assets (Refer note 25)	1,572,895	1,063,480
Advance to suppliers	214,152	140,933
Prepaid expenses	48,823	9,260
Other recoverables	29,590	-
Total	**1,865,460**	**1,213,673**
11 : Equity Share capital		
Authorized		
Common Stock GBP 1 par value, 3,500,000 shares		
(March 31, 2024: 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, 2024: 800 Ordinary shares of GBP 1 each)		
Total	**800**	**800**

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, 2025	
	No of shares	**Amount in GBP**
Outstanding at the beginning of the year	800	800
Add: Share issued during the year	-	-
Outstanding at the end of the year	**800**	**800**

	As at March 31, 2024	
	No of shares	**Amount in GBP**
Outstanding at the beginning of the year	800	800
Add: Share issued during the year	-	-
Outstanding at the end of the year	**800**	**800**

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
As at March 31, 2025		
Sonata Software Limited (India)	800	100%
As at March 31, 2024		
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.

		Amount in GBP
	As at March 31, 2025	**As at March 31, 2024**
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 year	-	-
Closing balance	**2,459,560**	**2,459,560**
Total	**2,460,360**	**2,460,360**

12 : Other equity

Capital redemption reserve		
Opening balance	3,235,440	3,235,440
Additions during the year	-	-
Closing balance	**3,235,440**	**3,235,440**

The capital redemption reserve comprises the nominal value of own shares that have been acquired by the Company and cancelled.

Retained earnings		
Opening balance	1,246,161	2,444,365
Profit / (loss) for the year	(3,952,630)	(1,198,204)
Closing balance	**(2,706,469)**	**1,246,161**

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

Total other equity	**528,971**	**4,481,601**

13 : Trade payables

Total outstanding dues of creditors	5,334,602	4,453,880
Total	**5,334,602**	**4,453,880**

For the amounts payable to related parties refer note 36.
Information about the Company’s exposure to credit, liquidity and market risks for trade payables are included in note 30

14 : Other financial liabilities

Reimbursable expenses payable to related party (Refer note 36)	1,492,279	296,225
Total	**1,492,279**	**296,225**

Information about the Company’s exposure to credit and market risks, and impairment losses for other financial assets are included in note 30.

15 : Other current liabilities

Advances from customers	294,737	-
Statutory remittances	359,732	333,325
Contract liabilities (Refer note 25)	103,984	43,963
Others	7,194	12,167
Total	**765,647**	**389,455**

16 : Provisions

Provision for compensated absences (Refer note 32)	235,383	179,052
Total	**235,383**	**179,052**

17 : Current tax liabilities (net)

Provision for tax (net of Advance tax of GBP 643,778 (for March 31, 2024 GBP 616,415))	467,467	467,163
Total	**467,467**	**467,163**

Amount in GBP

	For the year ended March 31, 2025	For the year ended March 31, 2024

18A. Income taxes

The income tax asset is GBP 506,637 (net of provision for tax of GBP 982,636) as at March 31, 2025 and GBP 507,957 (net of provision for tax of GBP 1,010,304) as at March 31, 2024

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	-	27,668
Deferred Tax:		
In respect of current year (origination and reversal of timing difference	318,989	(345,651)
Total Income tax expense recognised in the statement of profit and loss	**318,989**	**(317,983)**
(b) Income tax recognised in other comprehensive income	-	-

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:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (loss) before tax	(3,633,641)	(1,516,187)
Enacted income tax rate in United Kingdom	19.00%	19.00%
Computed expected tax expense	(690,392)	(288,076)
Tax effect of:		
Derecognition of deferred tax asset on loss		
Prior years	1,673,111	231,507
Current year	(690,392)	(288,076)
Others	26,662	26,662
Income tax expense recognised in the statement of profit and loss	**318,989**	**(317,983)**

The applicable tax rate for the year ended March 31, 2025 & March 31, 2024 is 19%
Deferred tax assets amounting to GBP 1,009,381 has not been recognised on accumulated business loss as at March 31, 2025 (GBP Nil as at March 31, 2024) as it is not probable that taxable profit will be available against which the unused tax losses can be utilised in foreseeable future.

18B. Deferred tax assets (net)

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)	-	-
Total	**318,989**	**318,989**	**-**	**-**

Deferred Tax assets / (liabilities) as at March 31, 2024 in relation to:

Particulars	As at April 1, 2023	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2024
Carried forward of business loss	-	(345,651)	-	345,651
Others	-	26,662	-	(26,662)
Total	**-**	**(318,989)**	**-**	**318,989**

Amount in GBP

	For the year ended March 31, 2025	For the year ended March 31, 2024
19 : Revenue from operations (Refer note 25)		
Revenue from services	13,000,035	15,104,427
Revenue from product and licenses	817,924	901,602
Other operating revenues	162,887	77,190
Total	**13,980,846**	**16,083,219**
20 : Other income		
Interest on financial assets carried at amortised cost (Refer note 36)	34,546	61,429
Provision no longer required written back	24,014	528,849
Total	**58,560**	**590,278**
21 : Purchase of stock-in-trade (traded goods)		
Purchase of traded items	743,513	745,344
	743,513	**745,344**
22 : Employee benefit expenses		
Salaries, wages, bonus and allowances	2,594,908	1,988,695
Contribution to other funds	335,024	357,001
Staff welfare expenses	19,914	23,565
Total	**2,949,846**	**2,369,261**
23 : Depreciation and amortization expense		
Depreciation of property, plant and equipment (Refer note 3.1)	3,311	1,771
Amortisation of Intangible assets (Refer note 4)	409,468	468,720
Total	**412,779**	**470,491**
24 : Other expenses		
Power and fuel	3,807	4,357
Rent	28,085	29,255
Repairs and maintenance - Machinery	294	919
Insurance	12,921	16,448
Rates and taxes	17,216	13,475
Communication cost	7,554	9,888
Facility maintenance	15,437	16,919
Travelling and conveyance expenses	144,074	341,193
Recruitment	38,612	60,610
Software license fees	6,661	-
Sales commission	31,545	-
Software project fees (Refer note 36)	10,562,540	10,960,636
Professional and technical fees	896,769	934,515
Insourcing professional fees	1,051,498	1,876,139
Management fees	665,962	16,585
Net loss on foreign currency transaction and translation	1,083	127,653
Impairment loss/(gain) recognised on trade receivable	-	78,296
Payments to auditors	11,334	28,445
Miscellaneous expenses	71,517	89,255
Total	**13,566,909**	**14,604,588**

25 Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

Amount in GBP

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Within UK	Outside UK	Total	Within UK	Outside UK	Total
Revenue from services (over the period)						
Software services						
Time and material	3,366,903	488,745	**3,855,648**	6,459,038	644,123	**7,103,161**
Fixed price	8,303,045	1,004,229	**9,307,274**	6,833,782	1,244,674	**8,078,456**
Revenue from sale of software product and licenses at a point in time	817,924	-	**817,924**	901,602	-	**901,602**
Total	**12,487,872**	**1,492,974**	**13,980,846**	**14,194,422**	**1,888,797**	**16,083,219**

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:

Amount in GBP

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**1,063,480**	**508,593**
Amount accrued during the year	2,392,465	21,200,086
Deduction on account of revenues billed during the year	(1,883,050)	(20,645,199)
Balance as at end of the year	**1,572,895**	**1,063,480**

Contract liabilities

The below table discloses the movement in the balance of contract liabilities:

Amount in GBP

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**43,963**	**-**
Additional amounts billed but not recognized as revenue	1,284,770	490,992
Deduction on account of revenues recognised during the year	(1,224,749)	(447,029)
Balance as at end of the year	**103,984**	**43,963**

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, 2025, other than those meeting the exclusion criteria mentioned above, is GBP 1,682,012. The Company expects to recognize the revenue within the next one year. 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.

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, 2025 are as follows:

Amount in GBP

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total carrying value
Financial assets					
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
Total		**-**	**-**	**5,734,726**	**5,734,726**
Financial liabilities					
Trade payables	13	-	-	5,334,602	5,334,602
Other financial liabilities	14	-	-	1,492,279	1,492,279
Total		**-**	**-**	**6,826,881**	**6,826,881**

The carrying value of financial instruments by categories as at March 31, 2024 are as follows:

Amount in GBP

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total carrying value
Financial assets					
Trade receivable	7	-	-	3,421,401	3,421,401
Cash and cash equivalents	8	-	-	806,430	806,430
Other financial assets	6 & 9	-	-	1,925,331	1,925,331
Loans	9.1	-	-	880,609	880,609
Total		**-**	**-**	**7,033,771**	**7,033,771**
Financial liabilities					
Trade payables	13	-	-	4,453,880	4,453,880
Other financial liabilities	14	-	-	296,225	296,225
Total		**-**	**-**	**4,750,105**	**4,750,105**

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.

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).

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 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 primerily 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, 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):

Amount in GBP

Particulars	**For the year ended**	
	March 31, 2025	**March 31, 2024**
Revenue from two customers having more than 10% of total revenue (Previous year : One customer)	3,523,580	1,741,862

Geographic concentration of credit risk

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

Particulars	**As at March 31, 2025**		**As at March 31, 2024**	
	Within UK	**Outside UK**	**Within UK**	**Outside UK**
Trade receivables (Billed)	2,775,602	281,631	2,275,445	640,408
Allowance for credit loss	15,794	778	71,254	5,566
% of credit loss to trade receivables	0.57%	0.28%	3.13%	0.87%

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

Amount in GBP

Particulars	**March 31, 2025**	**March 31, 2024**
Balance at the beginning of the year	76,820	182,455
Allowance for expected credit loss (net)*	(26,985)	78,296
Bad debts written off during the year	(37,878)	(179,691)
Foreign exchange differences	4,614	(4,240)
Balance at the end of the year	**16,572**	**76,820**

* The company has reversed compensation right asset amounting to GBP 2,971 (Previous year is NIL) against the allowance for expected credit loss. (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.

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:

Amount in GBP

Particulars	**March 31, 2025**	**March 31, 2024**
Cash and cash equivalents	940,097	806,430
Trade receivables	3,486,565	3,421,401
Other financial assets	1,127,460	1,885,551
Other current assets	1,865,460	1,213,673

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and March 31, 2024:

Amount in GBP

Particulars	**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

Particulars	**As at March 31, 2024**			
	Less than 1 year	**1-2 years**	**2 years & above**	**Total**
Trade payables	4,453,880	-	-	4,453,880
Other financial liabilities	296,225	-	-	296,225

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: Amount in GBP

As at March 31, 2025	**EUR**	**USD**	**AUD**	**SEK**	**Total**
Assets					
Trade receivables	959,045	985,587	71,713	3,034	2,019,379
Other assets	-	269,845	-	6,137	275,982
Liabilities					
Trade payables	36,562	-	-	-	36,562
Net assets/liabilities	**922,483**	**1,255,432**	**71,713**	**9,171**	**2,258,799**

As at March 31, 2024	**EUR**	**USD**	**AUD**	**SEK**	**Total**
Assets	-	-	-	-	-
Trade receivables	736,434	1,187,846	-	35,299	1,959,578
Liabilities	-	-	-	-	-
Trade payables	-	-	152,447	-	152,447
Net assets/liabilities	**736,434**	**1,187,846**	**(152,447)**	**35,299**	**1,807,131**

A reasonably possible strengtening by 1% of EUR, USD, AUD and SEK against the GBP as at March 31, 2025 and March 31, 2024 will affect the statement of profit and loss by the amounts shown below:

Amount in GBP

Currencies	**March 31, 2025**	**March 31, 2024**
EUR	9,225	7,364
USD	12,554	11,878
AUD	717	(1,524)
SEK	92	353

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.

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:

Amount in GBP

Particulars	March 31, 2025	March 31, 2024
Total equity attributable to the equity share holders of the Company	2,989,331	6,941,961
As percentage of total capital	100%	100%
Total borrowings	-	-
Total borrowings and lease liabilities	**-**	**-**
As a percentage of total capital	0%	0%
Total capital (borrowings and equity)	**2,989,331**	**6,941,961**

The Company is predominantly equity financed which is evident from the capital structure table.
Post the balance sheet date, the Preference shareholder and the Company have entered into an agreement 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, 2025
Discount rate(s)	4.34%
Expected rate(s) of salary increase	2.50%
Withdrawal rate	Service Based:Upto 4 years: 25.00%;Thereafter: 10.00%
Mortality Rate	IALM (2012-14) Ultimate
Retirement age	60 years
Leave availment (%)	0%

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

-

Particulars	March 31, 2025
Current liability	235,383
Non current liability	-
Present value of compensated absences	**235,383**

Sensitivity for significant actuarial assumptions is computed to show the impact in defined benefit obligation by 100 basis points:

Amount in GBP

Particulars	March 31, 2025	
	Increase	Decrease
Discount rate (100 basis points movement)	(11,604)	12,852
Future salary growth (100 basis points movement)	14,170	(13,017)

Expected Future Cashflows:

Amount in GBP

Particulars	As at March 31, 2025
Year 1	46,002
Year 2	29,196
Year 3	24,175
Year 4	17,832
Year 5	14,283
Year 6 to 10	76,741
Above 10 years	69,158

33 Segment reporting

The Company is engaged in the business of software/hardware products and licenses including related services in United Kingdom which constitutes a single business segment. The Company's operations outside United Kingdom 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 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 March 31, 2025	Year ended March 31, 2024
Profit/(Loss) after tax attributable to equity shareholders (a)	(3,952,630)	(1,198,204)
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)	(4,940.79)	(1,497.75)
Diluted earning per share (a/c) (GBP)	(4,940.79)	(1,497.75)

SONATA EUROPE LIMITED.
Notes to the financial statements for the year ended March 31, 2025

35. Business Combination under Common Control

On 16 July 2024, Gabuster Europe Limited merged with its wholly-owned subsidiary, Sonata Europe Limited. This transaction is considered a common control transaction as both entities were ultimately controlled by Sonata Europe Limited before and after the merger.

On 16 July 2024, Gapbuster Limited merged with its wholly-owned subsidiary, Sonata Europe Limited. This transaction is considered a common control transaction as both entities were ultimately controlled by Sonata Europe Limited before and after the merger.

The above mergers were approved by the Companies House, United Kingdom.

Accounting treatment of the Scheme of Merger:

1. The mergers have been accounted for using the pooling of interests method as prescribed under Appendix C of Ind AS 103. Accordingly, the assets and liabilities of both entities have been combined at their carrying amounts from 1 April 2022 onwards. No consideration was transferred as the merger involved entities under common control.

2. Intercompany balances have been eliminated on merger

Reconciliation of total equity as at March 31, 2023

Particulars	March 31, 2023
Total equity before merger	10,552,326
Impact of merger	(3,972,286)
Total equity after merger	**6,580,040**

The financial statements for the year ended March 31, 2023 have been restated to reflect the merger as if it had occurred from the beginning of the earliest period presented i.e April 1, 2022. The comparative information for the previous periods has also been restated accordingly.

Restated figures in the standalone financial statements are as below: (Amounts in GBP)

Particulars	Reported as March 31, 2023	Impact of Merger	Eliminations	Restated as on March 31, 2023
Non-current assets				
Goodwill	-	-	215,284	215,284
	-	**-**	**215,284**	**215,284**
Financial assets				
Investments	3,559,555	2,038,618	(5,598,173)	-
Other financial assets	39,780	-	-	39,780
Deferred tax assets (net)	-	240,192	-	240,192
Income tax assets (net)	6,675	37,269	-	43,944
	3,606,010	**2,316,079**	**(5,598,173)**	**323,916**
Current Assets				
Financial assets				
Investments - current				-
Trade receivables	3,813,878	219,462	-	4,033,340
Cash and cash equivalents	960,155	16,451	-	976,606
Loans	995,252	-	-	995,252
Other financial assets	3,252,135	103,983	-	3,356,118
Other current assets	4,677,118	-	-	4,677,118
	13,698,538	**339,896**	**-**	**14,038,434**
Total	**17,304,548**	**2,655,975**	**(5,382,889)**	**14,577,634**
Equity				
Equity Share capital	2,460,360	10,416,656	(10,416,656)	2,460,360
Other equity	10,552,326	(9,006,053)	5,033,767	6,580,040
	13,012,686	**1,410,603**	**(5,382,889)**	**9,040,400**
NON-CURRENT LIABILITIES				
Financial liabilities				
Other non-current liabilities	95,832	58,673	-	154,505
	95,832	**58,673**	**-**	**154,505**
Trade payables	3,881,062	124,763	-	4,005,825
Other financial liabilities	(264,308)	1,059,008	-	794,700
Other current liabilities	503,826	(1,212)	-	502,614
Provisions	75,450	4,140	-	79,590
	4,196,030	**1,186,699**	**-**	**5,382,729**
Total	**17,304,548**	**2,655,975**	**(5,382,889)**	**14,577,634**

Restated figures of statement of profit and loss

Revenue from operations	19,853,695	-	-	19,853,695
Revenue from hardware/software product and licenses	502,287	1,242,304	-	1,744,591
Other income	57,439	2,023,117	-	2,080,556
Total revenue	**20,413,421**	**3,265,421**	**-**	**23,678,842**
Expenses				
Purchase of stock-in-trade (traded goods)	503,871	-	-	503,871
Employee benefit expenses	1,349,452	228,310	-	1,577,762
Finance costs	2,654	15	-	2,669
Depreciation and Amortization	3,227	-	-	3,227
Other expenses	16,804,356	1,166,576	-	17,970,932
Total expenses	**18,663,560**	**1,394,901**	**-**	**20,058,461**
Profit before exceptional item and tax	**1,749,861**	**1,870,520**	**-**	**3,620,381**
Tax expense	250,940	32,916	-	283,856
Profit after tax	**1,498,921**	**1,837,604**	**-**	**3,336,525**

36 Related party disclosure

i) Details of related parties :

Description of relationship	**Names of related parties**
(a) Holding company	Sonata Software Limited
(b) Wholly-owned subsidiary	Gapbuster Worldwide Pty Ltd
	Gapbuster Inc
	Sonata Software Japan KK
(b) Fellow subsidiary	Sonata Software Solutions Limited
	Sonata Information Technology Limited
	Sonata Software North America Inc.
	Sonata Software Gmbh
	Sonata Software Intercontinental Limited
	Sonata Australia Pty Ltd
(c) Key management personnel (KMP)	Uttam Hazari - Director
	Adam Kaye - Director
	Amit Kumar - Director (upto October 3, 2024)

ii) Transactions with related parties :

Amount in GBP

Particulars	**March 31, 2025**	**March 31, 2024**
Revenue from Services		
Sonata Software North America Inc.	486,139	635,975
Gapbuster Worldwide Pty Ltd	101,536	-
Sonata Australia Pty Ltd	27,174	-
Software Project fees		
Sonata Software Limited	7,471,498	8,011,332
Sonata Software Gmbh	-	140,119
Sonata Software Solutions Limited	1,624,899	2,809,185
Gapbuster Worldwide Pty Ltd	1,469,073	-
Interest income on Inter-corporate deposits		
Sonata Software Gmbh	12,453	8,755
Gapbuster Worldwide Pty Ltd	21,933	52,674
Inter-corporate loans given		
Sonata Software Gmbh	227,952	81,707
Inter-corporate loans recovered		
Sonata Software Gmbh	315,457	82,187
Gapbuster Worldwide Pty Ltd	636,956	209,385
Compensation of key management personnel of the Company		
Short-term employee benefits	353,667	257,954
Reimbursement of expenses paid		
Sonata Information Technology Limited	-	72,084
Sonata Software North America Inc.	2,573	10,568
Sonata Software Solutions Limited	3,050	-
Sonata Software Limited	1,785,232	1,023,104
Reimbursement of expenses Received		
Sonata Software Intercontinental Limited	292,680	692,026
Sonata Software Solutions Limited	287,026	30,152
Sonata Software North America Inc.	65,672	8,493
Gapbuster Worldwide Pty Ltd	29,173	-
Sonata Software Limited	1,268,587	296,931

Balances outstanding at the end of the year		
Trade Receivables		
Sonata Software Gmbh	214,152	140,933
Sonata Software North America Inc.	110,591	632,938
Sonata Software Limited	-	-
Sonata Australia Pty Ltd	2,069	-
Gapbuster Worldwide Pty Ltd	52,990	-
Trade Payables		
Sonata Software Solutions Limited	593,661	185,532
Sonata Software Limited	4,082,215	3,707,992
Gapbuster Worldwide Pty Ltd	5,067	-
Inter-corporate loans		
Sonata Software Gmbh	-	98,325
Gapbuster Worldwide Pty Ltd	-	642,317
Interest accrued on Inter-corporate deposits		
Sonata Software Gmbh	-	9,953
Gapbuster Worldwide Pty Ltd	140,824	130,014
Reimbursement of expenses payable		
Sonata Software North America Inc.	-	16,298
Sonata Information Technology Limited	72,084	72,084
Sonata Software Limited	73,888	-
Reimbursement of expenses receivable		
Sonata Software Limited	556,801	1,793,767
Sonata Information Technology Limited	2,885	135,504
Sonata Software North America Inc.	8,335	8,518
Sonata Software Solutions Limited	322,172	30,253
Sonata Software Intercontinental Limited	350,565	4,609
Gapbuster Worldwide Pty Ltd	29,173	-

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.

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 : Mumbai
Date : 07 May 2025

Uttam Hazari
Director

Place : London
Date : 06 May 2025

Adam Kaye
Director

Place : London
Date : 06 May 2025

QUANT SYSTEMS INC
Balance Sheet

	Note	As at March 31, 2025	As at March 31, 2024
			In USD
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**3**	24,138	23,612
Right-of-use assets	**35**	204,667	-
Financial assets			
Investments	**4**	3,288,775	3,288,775
Other financial assets	**5**	14,776	14,776
Income tax assets (net)	**23A**	5,814,534	4,347,226
Total non-current assets		**9,346,890**	**7,674,389**
CURRENT ASSETS			
Financial assets			
Investments	**6**	924,300	879,598
Trade receivables	**7**	13,609,528	20,092,017
Cash and cash equivalents	**8**	7,087,098	10,119,503
Other financial assets	**9**	484,235	1,092,472
Other current assets	**10**	1,088,353	40,175
Total current assets		**23,193,514**	**32,223,765**
Total assets		**32,540,404**	**39,898,154**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	**11**	9,800	9,800
Other equity	**12**	5,198,274	18,958,951
Total equity		**5,208,074**	**18,968,751**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Lease libilities	**35**	67,538	-
Deferred tax liability	**24**	577,232	798,450
Total non-current liabilities		**644,770**	**798,450**
CURRENT LIABILITIES			
Financial liabilities			
Lease libilities	**35**	169,153	-
Trade payables	**13**	12,180,126	8,213,400
Other financial liabilities	**14**	1,223,847	241,019
Other current liabilities	**15**	10,692,881	3,726,177
Provisions	**16**	30,702	14,244
Current tax liabilities (net)	**17**	2,390,851	7,936,113
Total current liabilities		**26,687,560**	**20,130,953**
Total equity and liabilities		**32,540,404**	**39,898,154**
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 Quant Systems Inc.

Amrit Bhansali
Partner
Membership No. 065155

Place : Bengaluru
Date : May 06, 2025

Srinivas Veeravelli
Director

Place : USA
Date : May 06, 2025

Sujit Mohanty
Director

Place : Bengaluru
Date : May 06, 2025

QUANT SYSTEMS INC
Statement of Profit and Loss

In USD

	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE			
Revenue from operations	**18.1**	46,596,560	67,938,444
Other income	**18.2**	338,558	481,249
Total revenue		**46,935,118**	**68,419,693**
EXPENSES			
Employee benefits expense	**19**	4,278,449	5,538,299
Finance costs	**20**	59,650	-
Depreciation and amortization expense	**21**	155,916	10,017
Other expenses	**22**	32,845,862	29,480,059
Total expenses		**37,339,877**	**35,028,375**
Profit before tax		**9,595,241**	**33,391,318**
Tax expense			
Current tax	**23**	2,377,137	8,471,428
Deferred tax	**24**	(221,219)	(51,991)
Net tax expense		**2,155,918**	**8,419,437**
Profit after tax		**7,439,323**	**24,971,881**
Other comprehensive income		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive Income for the year		**7,439,323**	**24,971,881**
Earnings per share - (on USD 1 per share)			
Basic (in USD)	**33**	**604.43**	**2,028.91**
Diluted (in USD)		**604.43**	**2,028.91**
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 Quant Systems Inc.

Amrit Bhansali
Partner
Membership No. 065155

Place : Bengaluru
Date : May 06, 2025

Srinivas Veeravelli
Director

Place : USA
Date : May 06, 2025

Sujit Mohanty
Director

Place : Bengaluru
Date : May 06, 2025

QUANT SYSTEMS INC
Statement of changes in equity

(a) Equity share capital

In USD

Particulars (Refer note 11)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**9,800**	**9,800**
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	-	-
Balance at the end of the year	**9,800**	**9,800**

(b) Other equity

In USD

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
Balance as at April 1, 2023	**15,487,070**	**15,487,070**
Profit for the year	24,971,881	24,971,881
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the year	**24,971,881**	**24,971,881**
Transactions with owners of the company		
Contributions and distributions		
Payment of cash dividends	(21,500,000)	(21,500,000)
Balance as at March 31, 2024	**18,958,951**	**18,958,951**
Balance as at April 1, 2024	**18,958,951**	**18,958,951**
Profit for the year	7,439,323	7,439,323
Total comprehensive income for the year	**7,439,323**	**7,439,323**
Transactions with owners of the company		
Contributions and distributions		
Payment of cash dividends	(21,200,000)	(21,200,000)
Balance as at March 31, 2025	**5,198,274**	**5,198,274**

Refer note 12 for the nature and purpose of reserves

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

Amrit Bhansali
Partner
Membership No. 065155

Place : Bengaluru
Date : May 06, 2025

For and on behalf of the Board of Directors of
Quant Systems Inc.

Srinivas Veeravelli
Director

Place : USA
Date : May 06, 2025

Sujit Mohanty
Director

Place : Bengaluru
Date : May 06, 2025

QUANT SYSTEMS INC
Statement of Cash Flows

	For the year ended March 31, 2025	For the Year ended March 31, 2024
		In USD
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**9,595,241**	**33,391,318**
Adjustments for :		
Depreciation and amortization expense	155,916	10,017
Finance costs	59,650	-
Allowance for expected credit losses	543,139	(26,385)
Interest income	(267,323)	(417,538)
(Gain) / loss on sale of fixed assets	-	6,025
Net gain on investments carried at fair value through profit or loss	(44,702)	(47,393)
Operating Profit before working capital changes	10,041,921	32,916,044
Adjustments for :		
Decrease/(increase) in trade receivables	5,939,350	(11,277,214)
Decrease/(increase) in other financial assets-current	608,237	(2,021,703)
Decrease/(increase) in other current assets	(1,048,178)	(33,270)
Decrease/(increase) in other financial assets non-current	-	(14,776)
(Decrease)/increase in other financial liabilities-current	982,828	26,639
(Decrease)/increase in trade payables	3,966,726	4,159,812
(Decrease)/increase in other current liabilities	10,466,704	111,909
(Decrease)/increase in provisions	16,458	(32,318)
Cash generated from operations	**30,974,046**	**23,835,123**
Income taxes paid (net of refunds)	(9,389,707)	(8,788,219)
Net cash from operating activities	**21,584,340**	**15,046,904**
Net cash from operating activities	**21,584,340**	**15,046,904**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(11,971)	(7,937)
Interest received	267,323	417,538
Net cash flow from investing activities	**255,352**	**409,601**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(172,097)	-
Payment of dividend	(24,700,000)	(18,000,000)
Net cash from financing activities	**(24,872,097)**	**(18,000,000)**
Net increase/(decrease) in cash and cash equivalents	(3,032,406)	(2,543,495)
Opening cash and cash equivalents	10,119,503	12,662,998
Closing cash and cash equivalents	**7,087,098**	**10,119,503**
Cash and cash equivalents at the end of the year Comprises : (Refer Note 8)		
Balances with banks		
In Current accounts	7,087,098	10,119,503
Total	**7,087,098**	**10,119,503**

Refer note 35 for non-cash changes in lease liabilities arising from financing activities

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the financial statements

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 Quant Systems Inc.

Amrit Bhansali
Partner
Membership No. 065155

Place : Bengaluru
Date : May 06, 2025

Srinivas Veeravelli
Director

Place : USA
Date : May 06, 2025

Sujit Mohanty
Director

Place : Bengaluru
Date : May 06, 2025

1 COMPANY OVERVIEW

Quant US Inc. ("QSUS" 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. The company is incorporated in US on 10th September 2008 with its registered office at Texas, USA. Sonata Software North America has 100% ownership of Quant system INC.

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 Quant US Inc. comprises the balance sheet as at 31 March 2025, 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 2025, 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 investment in subsidiaries is considered as a long term investment and carried at cost, less impairment, if any.The corresponding figures for Financial years 2023-24 included in these financial statements have not been audited.

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 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.

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 US Dollars, the national currency of United States of America, which is the functional currency of the Company. The functional currency of its Branch is as per its respective domicile currency.

All amounts are rounded off to the nearest 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 is 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) Revenue recognition

Refer note 2.2(j)

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 as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under note 2.2(n)

iv) Contingent liabilities

Refer note 2.2(p)

v) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing 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.

vi) 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(e).

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 it 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 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 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

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 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. 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. 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 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 OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or 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 profit or 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 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. **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 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.

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 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.

Long-term employee benefits

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 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 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 period 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.

j. 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 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 (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 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. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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.

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.

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.

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

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. 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.

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.

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. 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.

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, pricing incentives and other similar items if any, as specified in the contract with the customer. Sales tax / Value Added Tax (VAT) 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.

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.

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.

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.

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 Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

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 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.

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.

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 Company 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").

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 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.

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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

QUANT SYSTEMS INC

Notes to the financial statements for the year ended March 31, 2025

3 : Property, plant and equipment — **USD**

Particulars	Office equipment	Furniture and fixtures	Plant and machinery	Total tangible assets	Right of use assets
Gross Block					
As at Apr 1, 2023	-	105,903	24,966	**130,869**	-
Additions	2,305	3,613	4,326	**10,244**	-
Disposals/Write off	-	(68,455)	-	**(68,455)**	-
As at Mar 31, 2024	**2,305**	**41,061**	**29,292**	**72,658**	-
As at Apr 1, 2024	2,305	41,061	29,292	**72,658**	-
Additions	-	-	11,971	**11,971**	349,138
Disposals/Write off	-	-	-	**-**	-
As at Mar 31, 2025	**2,305**	**41,061**	**41,263**	**84,629**	**349,138**
Depreciation/ Amortization					
As at Apr 1, 2023		**84,266**	**17,021**	**101,287**	-
Charge for the year	171	5,333	4,684	**10,188**	-
Disposals/Write off	-	(62,429)	-	**(62,429)**	-
As at Mar 31, 2024	**171**	**27,170**	**21,705**	**49,046**	**-**
As at Apr 1, 2024	**171**	**27,170**	**21,705**	**49,046**	-
Charge for the year	1,019	6,408	4,018	**11,445**	144,471
Disposals/Write off	-	-	-	**-**	-
As at Mar 31, 2025	**1,190**	**33,578**	**25,723**	**60,491**	144,471
Net Block					
As at Mar 31, 2024	**2,134**	**13,891**	**7,587**	**23,612**	**-**
As at Mar 31, 2025	**1,115**	**7,483**	**15,540**	**24,138**	**204,667**

- No impairment loss have been recognised on propery, plant and equipment for the year ended March 31, 2025 and for the year ended March 31, 2024
- No revaluation of tangible assets were carried out for the year ended March 31, 2025 and for the year ended March 31, 2024.

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

	As at March 31, 2025	As at March 31, 2024
		USD
Non-current financial assets		
4 : Investments		
Non-trade, Unquoted and at cost		
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)	-	-
Total	**3,288,775**	**3,288,775**
Aggregate carrying amount of unquoted investments	3,288,775	3,288,775
Investments carried at amortised cost	3,288,775	3,288,775
5 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Security deposits	14,776	14,776
Total	**14,776**	**14,776**

Current investments
6 : Investments
Investments carried at fair value through profit and loss:

	As at March 31, 2025		As at March 31, 2024	
Investments in funds (Traded, quoted)	**No. of units**	**In USD**	**No. of units**	**In USD**
Federated Tr US Trsy Oblg Is	1	541,194	1	515,711
PIMCO Exchange Traded Fund	100	7,046	100	7,925
American Strategic Bond Cl F3	3,165	29,118	3,056	27,566
First Eagle Gold Cl R6	-	-	382	9,579
Guggenheim Total Return Bond Cl I	1,915	45,595	1,879	44,234
Hartford Strategic Income Cl F	2,224	17,455	2,080	16,221
Invesco Corporate Bond Cl R6	4,515	28,082	4,280	26,748
Lord Abbett Bond Debenture Cl F3	2,845	20,060	2,675	18,937
Lord Abbett Convertible Cl F3	811	11,433	792	10,626
PIMCO Diversified Income Cl I	3,240	31,457	1,988	19,029
PIMCO Income Cl I	4,304	46,048	4,188	44,396
PIMCO International Bond (USD-Hedged) Cl I	3,502	34,498	3,326	32,959
PIMCO Investment Grade Credit Bond Cl I	4,206	37,982	4,024	35,857
PIMCO Preferred & Capital Securities Cl I	4,009	37,368	3,802	34,481
Western Asset Corporate Bond Cl I	3,497	36,964	3,317	35,329
		924,300		**879,598**
Aggregate book value of quoted investments		924,300		879,598
Aggregate market value of quoted investments		924,300		879,598
Aggregate amount of impairment in value of		-		-
Investments carried at fair value through profit &		924,300		879,598
Total		**924,300**		**879,598**

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

	As at March 31, 2025	USD As at March 31, 2024
7 : Trade receivables		
Unsecured*		
Billed		
Date : May 06, 2025	13,235,169	19,216,455
Less: Allowance for credit losses	(484,235)	(142,431)
	12,750,934	19,074,024
Credit impaired	523,829	40,114
Less : Allowance for credit losses	(523,829)	(40,114)
	-	-
Unbilled revenue	858,594	1,017,993
Total	**13,609,528**	**20,092,017**

* 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 34. Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in Note 29.

* Refer note 34 for related party disclosure.

Trade receivable ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
Undisputed trade receivables - considered good	5,264,695	7,279,735	293,266	397,473	-	-	**13,235,169**
Undisputed Trade receivables - credit impaired	-	-	-	523,829	-	-	**523,829**
Disputed trade receivables - considered good	-	-	-	-	-	-	**-**
Less : Allowance for credit losses	(192,619)	(266,344)	(10,730)	(538,371)	-		**(1,008,064)**
Unbilled	-	-	-	-	-	-	**858,594**
Total	**5,072,076**	**7,013,391**	**282,536**	**382,931**	**-**	**-**	**13,609,528**

8 : Cash and cash equivalents		
Balances with banks		
In Current accounts	7,087,098	10,119,503
Total	**7,087,098**	**10,119,503**
9 : Other financial assets (Carried at amortised cost, unless otherwise stated)		
Unsecured, considered good		
Reimbursement recoverable from related parties (Refer Note 34)	-	950,041
Compensation right asset (Refer Note 29)	484,235	142,431
Total	**484,235**	**1,092,472**

Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in Note 29

10 : Other current assets		
Unsecured, considered good		
Prepaid expenses	8,767	11,350
Employee advances	1,352	21,920
Advance to supplier *	1,078,234	6,905
Total	**1,088,353**	**40,175**

* Refer note 34 for related party disclosure.

11 : Equity share capital		
Authorized		
$0.80 par value 12,308 shares each fully paid-up	**9,800**	**9,800**
(March 31, 2024 Common Stock $0.80 par value, 12,308 shares)		
Issued, Subscribed and paid-up		
$0.80 par value 12,308 shares each fully paid-up	9,800	9,800
(March 31, 2024 $0.80 par value 12,308 shares		
Total	**9,800**	**9,800**

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

	As at March 31, 2025	As at March 31, 2024
		USD

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, 2025	
	No of shares	**Amount in USD**
Number of shares outstanding at the beginning of the year	12,308	9,800
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	**12,308**	**9,800**

	As at March 31, 2024	
	No of shares	**Amount in USD**
Number of shares outstanding at the beginning of the year	12,308	9,800
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	**12,308**	**9,800**

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 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) Distributions of dividend

During the year ended March 31, 2025, the Company has incurred a net cash outflow of USD 8.7 million towards final dividend for fiscal 2024 and USD 16 million towards interim dividend for fiscal year 2025. (During the year ended March 31, 2024, the Company has incurred a net cash outflow of USD 18 million towards interim dividend for fiscal 2024.)

12 : Other equity

	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Opening balance	18,958,951	15,487,070
Profit for the year	7,439,323	24,971,881
Less: Dividend paid	(21,200,000)	(21,500,000)
Closing balance	**5,198,274**	**18,958,951**

Retained earning comprises of the amounts that can be

13 : Trade payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of creditors	12,180,126	8,213,400
Total	**12,180,126**	**8,213,400**

* Refer note 34 for related party disclosure.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in Note 29.

14 : Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	1,223,847	241,019
Total	**1,223,847**	**241,019**

15 : Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Advances from customers	508,860	111,908
Amount payable to related parties (Refer Note 34)	9,866,281	-
Statutory remittances	317,740	114,269
Proposed dividend	-	3,500,000
Total	**10,692,881**	**3,726,177**

16 : Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits - Compensated absences (Refer note 31)	30,702	14,244
Total	**30,702**	**14,244**

17 : Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax USD 1,514,825 (for March 31, 2024 USD	2,390,851	7,936,113
Total	**2,390,851**	**7,936,113**

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

	For the year ended March 31, 2025	USD For the year ended March 31, 2024
18.1 : Revenue from operations (Refer note 25)		
Revenue from software services	44,578,469	67,483,444
Revenue from hardware/software product and licenses	1,150,000	455,000
Other operating revenues		
Commission	868,091	-
Total	**46,596,560**	**67,938,444**
18.2 : Other income		
Interest income from bank balances	267,323	417,538
Net gain on investments carried at fair value through profit or loss	44,702	47,393
Miscellaneous income	26,533	16,318
Total	**338,558**	**481,249**
19 : Employee benefits expense		
Salaries, wages, bonus	10,550,368	5,399,760
Staff welfare expenses	504,311	138,539
Less: Cost transferred to Sonata Software North America	(6,776,230)	-
Total	**4,278,449**	**5,538,299**
20:Finance costs		
Interest expense on financial liabilities measured at amortised cost:		
Lease rental discounted (Refer note 35)	59,650	-
Total	**59,650**	**-**
21:Depreciation and amortization expense		
Depreciation of property, plant and equipment (Refer note 3)	11,445	10,017
Depreciation of right on use assets (Refer note 35)	144,471	-
Total	**155,916**	**10,017**
22 : Other expenses		
Insourcing professional fees	26,130,334	25,161,945
Software project fees	5,356,059	3,650,891
Impairment loss/(gain) recognised on trade receivable	543,139	(26,385)
Rates and taxes	194,854	42,385
Travelling and conveyance expenses	181,113	111,073
Facility maintenance	124,426	31,449
Professional and technical fees	123,518	11,884
Miscellaneous expenses	60,700	140,411
Payment to auditors	46,805	-
Repairs and maintenance - Machinery	29,018	-
Recruitment expenses	20,189	56,563
Communication cost	18,311	24,068
Rent (Refer note 35)	-	200,683
Insurance	7,189	29,362
Software license fee	-	4,036
Legal fees	7,173	35,669
Power and fuel	3,034	-
Net loss on fixed assets sold / scrapped	-	6,025
Date : May 06, 2025	**32,845,862**	**29,480,059**

	In USD For the year ended March 31, 2025	In USD For the year ended March 31, 2024
23A. Income taxes		

The income tax asset is USD 5,814,534 (net of provision for tax of USD 11,943,967) as at March 31, 2025 and USD 4,347,226 (net of provision for tax of USD 3,905,676) as at March 31, 2024

	March 31, 2025	March 31, 2024
(a) Income tax expense in the statement of profit and loss consists of:		
Current tax:		
In respect of current year	2,377,137	8,471,428
Deferred tax:		
In respect of current year (origination and reversal of temporary differences)	(221,219)	(51,991)
Total Income tax expense recognised in the statement of profit and loss	**2,155,918**	**8,419,437**
(b) Income tax recognised in other comprehensive income	**-**	**-**

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:

	March 31, 2025	March 31, 2024
Profit before tax	9,595,241	33,391,318
Enacted US tax rate	21.00%	21.00%
Computed expected tax expense	2,015,001	7,012,177
Effect of:		
Items that are non- deductible in determining taxable profit	4,816	5,802
Items that are deductible in determining taxable profit due to differentaial tax rates in combined tax returns	(177,387)	(9,151)
State taxes	343,302	1,460,654
Others	(29,814)	(50,045)
Others	**2,155,918**	**8,419,437**

The applicable US corporate federal tax rate for the year ended March 31, 2025 is 21%

24. Deferred taxes

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

	As at April 1, 2024	Recognised in Profit & Loss	As at March 31, 2024
Allowances for credit losses	48,227	192,125	240,352
Accrued Vacation	3,764	3,557	7,321
Right of use assets	-	(6,654)	(6,654)
Others, including employee and other payables	(850,441)	32,191	(818,251)
Total	**(798,450)**	**221,219**	**(577,232)**

Deferred tax assets / (liabilities) as at March 31, 2024 in relation to:

	As at April 1, 2023	Recognised in Profit & Loss	As at March 31, 2024
Allowances for credit losses	-	48,227	48,227
Defined benefits plan	-	3,764	3,764
Others, including employee and other payables	(850,441)	-	(850,441)
Total	**(850,441)**	**51,991**	**(798,450)**

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

25 Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

in USD

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	USA	Other than USA	USA	Other than USA
Revenue from software services (over the period)				
Time and material	8,095,629	-	4,704,422	-
Fixed price	37,350,931	-	62,779,022	-
Revenue from software product and licenses at point in time	1,150,000	-	455,000	-
Total	**46,596,560**	**-**	**67,938,444**	**-**

Contract Price

Reconciliation of revenue recognized in the statement of profit and loss with the contracted price

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	47,448,775	68,138,444
Less: Discounts given	852,215	200,000
Revenue recognized in statement of profit and loss	**46,596,560**	**67,938,444**

Trade receivables

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

26 Commitments

The company do not have any estimated amount of contracts remaining to be executed on capital account and not provided for.

27 Financial instruments

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

in USD

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Other non-current financial assets	5	-	-	14,776	14,776
Trade receivable	7	-	-	13,609,528	13,609,528
Cash and cash equivalents	8	-	-	7,087,098	7,087,098
Other financial assets	9	-	-	484,235	484,235
Investments in funds (quoted)	6	924,300	-	-	924,300
Total		**924,300**	**-**	**21,195,637**	**22,119,937**
Financial liabilities					
Trade payables	13	-	-	12,180,126	12,180,126
Lease liabilities	35	-	-	236,691	236,691
Total		**-**	**-**	**12,416,817**	**12,416,817**

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

in USD

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Other non-current financial assets	5	-	-	14,776	14,776
Trade receivable	7	-	-	20,092,017	20,092,017
Cash and cash equivalents	8	-	-	10,119,503	10,119,503
Other financial assets	9	-	-	1,092,472	1,092,472
Investments in funds (quoted)	6	879,598	-	-	879,598
Total		**879,598**	**-**	**31,318,768**	**32,198,366**
Financial liabilities					
Trade payables	13	-	-	8,213,400	8,213,400
Total		**-**	**-**	**8,213,400**	**8,213,400**

The management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, borrowings and other current 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 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.
2. The Company does not have any derivative financial instruments.

28 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, 2025 and March 31, 2024.

Quantitative disclosures of fair value measurement hierarchy for financial assets is as under:

in USD

Particulars	Fair value as at		Fair value hierarchy
	March, 31	March, 31 2024	
Investments in mutual funds (quoted)	924,300	879,598	Level 1

29 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 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 outstanding accounts receivable. The maximum exposure to credit risk is 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, 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):

in USD

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from customer having more than 10% of total revenue	22,958,444	33,457,098
No. of customers	2	1

Geographic concentration of credit risk
Geographic concentration of trade receivables and allowance for credit loss is in United States of America.

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	USA	USA
Trade receivables	13,609,528	20,092,017
Allowance for credit loss	(523,829)	(40,114)
% of credit loss to trade receivables	-4%	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

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	182,545	156,160
Allowance for expected credit loss (net)	884,423	
Bad debts written off during the year	(58,904)	26,385
Balance at the end of the year	**1,008,064**	**182,545**

* The company has created compensation right asset amounting to USD 341,804 against the allowance for expected credit loss. The Company has disclosed the remaining amount of USD 201,335 as allowance for expected credit loss.

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.

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:

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current assets		
Cash and cash equivalents	7,087,098	10,119,503
Investments in mutual funds (quoted)	924,300	879,598
Trade receivables	13,609,528	20,092,017
Other financial assets	484,235	1,092,472
Other current assets	1,088,353	40,175

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and March 31, 2024: in USD

Particluars	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Trade payables	12,180,126		-
Lease liabilities	175,853	73,876	-

in USD

Particulars	As at March 31, 2024		
	Less than 1 year	1-2 years	2 years & above
Trade payables	8,213,400	-	-

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). The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

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.

30 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:

in USD

Particulars	March 31, 2025	March 31, 2024
Total equity attributable to the equity share holders of the Company	5,208,074	18,968,751
As percentage of total capital	96%	100%
Total borrowings	-	-
Total lease liabilities	236,691	-
Total borrowings and lease liabilities	**236,691**	**-**
As a percentage of total capital	4%	0%
Total capital (borrowings and equity)	**5,444,765**	**18,968,751**

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.

31 Employee benefit plans

i) Other employee benefits - Compensated

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, 2025	March 31, 2024
Discount rate(s)	4.81%	4.81%
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 (%)	20%	20%

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

in USD

Particulars	March 31, 2025	March 31, 2024
Current liability	30,702	14,244
Present value of compensated absences	**30,702**	**14,244**

Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 100 basis points:

in USD

Particulars	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	30,087	31,351	14,018	14,481
Future salary growth (100 basis points movement)	31,362	30,064	14,556	13,941

Expected Future Cashflows:

Particulars	As at March 31, 2025	As at March 31, 2024
Year 1	8,885	7,867
Year 2	5,558	2,699
Year 3	3,490	1,721
Year 4	2,141	1,104
Year 5	1,417	723
Year 6 to 10	2,421	1,234
Above 10 years	432	148

The mortality and attrition rates does not have a significant impact on the Liability, hence are not considered an significant actuarial assumption for the purpose of sensitivity analysis

32 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. 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 gerographical segment, hence no separate disclosure for segment reporting has been made as the necessary information is already available in the financial statements.

33 Earnings per share

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

in USD

Particulars	Year ended March 31, 2025	Year ended March 31, 2025
Profit after tax attributable to equity shareholders (a)	7,439,323	24,971,881
Weighted average number of equity shares outstanding during the year for basic EPS (b)	12,308	12,308
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	12,308	12,308
Basic earning per share (a/b) (USD)	604.43	2,028.91
Diluted earning per share (a/c) (USD)	604.43	2,028.91

34 Related party disclosure

i) Details of related parties :

Description of relationship	**Names of related parties**
(a) Ultimate holding company	Sonata Software Limited
(b) Holding company	Sonata Software North America Inc.
(c) Wholly owned subsidiaries	Quant Cloud Solutions Private Limited Woodshed LLC Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC)
(d) Fellow subsidiaries	Sonata Software Solutions Limited Sonata Information Technology Limited Sonata Software North America Inc.
(e) Key management personnel (KMP)	Mr. Srinivas Veeravelli, Director Mr. Antony Lange, Director Mr. Sujit Mohanty, Director

ii) Transactions with related parties :

Particulars	**March 31, 2025**	**March 31, 2024**
Revenue from Software services		
Sonata Software North America Inc.	1,376,445	592,600
Software Project fees		
Sonata Software Limited	159,062	49,111
Sonata Software Solutions Limited	46,526	12,579
Sonata Software North America Inc.	673,134	96,000
Quant Cloud Solutions Private Limited	4,477,779	3,565,122
Reimbursement of expenses received		
Sonata Software North America Inc.	21,072,342	950,041
Sonata Software North America Inc. - Canada	3,047	
Reimbursement of expenses paid		
Sonata Software North America Inc.	71,609	-
Remuneration to Key management personnel (KMP)	313,017	313,017
Dividend paid		
Sonata Software North America Inc.	21,200,000	21,500,000

QUANT SYSTEMS INC
Notes to the financial statements for the year ended March 31, 2025

Balances outstanding at the end of the year		
Trade Receivables		
Sonata Software North America Inc.	-	592,600
Trade Payables		
Sonata Software Limited	208,173	49,111
Date : May 06, 2025	59,105	12,579
Sonata Software North America Inc.	765,688	96,000
Sonata Software North America Inc-Canada	3,047	-
Quant Cloud Solutions Private Limited	-	13,419
Advance to supplier		
Quant Cloud Solutions Private Limited	1,034,008	
Reimbursement of expenses payable		
Sonata Software North America Inc.	12,710,441	-
Reimbursement of expenses receivable		
Sonata Software North America Inc.	2,844,160	950,041

[1] The above post employment benefits excludes compensated absences which cannot be separately identified from the composite amount

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
2. The balance oustanding above are unsecured and would be settled in cash.

QUANT SYSTEMS INC

Notes to the financial statements for the year ended March 31, 2025

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 USD

Particulars	As at March 31, 2025	As at March 31, 2024
	Buildings	Buildings
Additions during the year	349,138	-
Deletion	-	-
Depreciation for the year	(144,471)	-
Balance at the end of the year	**204,667**	**-**

Incremental borrowing rate used for discounting of lease liabilities is 7.2% based on the lease term.
The lease term generally ranges from 2 to 2.5 years

The following is the movement in lease liabilities:

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Non-cash changes		
Additions	349,137	-
Finance cost accrued during the year	59,650	-
Deletions	-	-
Cash changes	-	
Payment of lease liabilities	(172,097)	-
Balance at the end of the year	**236,690**	**-**

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

in USD

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	169,153	-
Non-current lease liabilities	67,538	-
Total	**236,691**	**-**

Contractual maturities of lease liabilities

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

in USD

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	175,853	-
Later than one year and not later than 5 years	73,876	-
Later than 5 years	-	-
Total	**249,729**	

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

in USD

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year (Refer note 20)	59,650	-
Depreciation on ROU assets	144,471	-
Rent expense pertaining to short-term lease (Refer note 22)*	-	200,683
Total	**204,121**	**200,683**

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

36 : Contingent Liabilities

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

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

Amrit Bhansali
Partner
Membership No. 065155

Place : Bengaluru
Date : May 06, 2025

For and on behalf of the Board of Directors of
Quant Systems Inc.

Srinivas Veeravelli
President

Place : USA
Date : May 06, 2025

Sujit Mohanty
Director

Place : Bengaluru
Date : May 06, 2025

SONATA AUSTRALIA PTY LTD.
Balance Sheet

(Amounts in AUD)

	Note No.	As At March 31, 2025	As At March 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**3**	59,722	23,751
Income tax assets (net)	**15.1**	800,088	773,022
Total non-current assets		**859,810**	**796,773**
CURRENT ASSETS			
Financial assets			
Investments	**4**	-	162
Trade receivables	**5**	5,531,391	5,556,541
Cash and cash equivalents	**6**	1,194,558	978,030
Other financial assets	**7**	274,344	123,608
Other current assets	**8**	2,856,761	282,251
Total current assets		**9,857,054**	**6,940,592**
TOTAL		**10,716,864**	**7,737,365**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**9**	2	2
Other equity	**10**	5,297,065	4,308,029
Total Equity		**5,297,067**	**4,308,031**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**15.2**	334,939	-
Total non-current liabilities		**334,939**	**-**
CURRENT LIABILITIES			
Financial liabilities			
Trade payables	**11**	1,877,333	419,505
Other financial liabilities	**12**	126,930	94,201
Other current liabilities	**13**	1,097,535	731,162
Provisions	**14**	302,041	387,619
Current tax liabilities (net)	**15**	1,681,019	1,796,847
Total current liabilities		**5,084,858**	**3,429,334**
TOTAL		**10,716,864**	**7,737,365**
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

Place : Mumbai
Date : May 06, 2025

Rajsekhar Datta Roy
Director

Place : Bengaluru
Date : May 05, 2025

Biju John
Director

Place : Brisbane
Date : May 05, 2025

SONATA AUSTRALIA PTY LTD.
Statement of Profit and Loss

(Amounts in AUD)

	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE			
Revenue from operations	**16.1**	17,792,130	18,639,568
Other income	**16.2**	29,158	6,277
Total revenue		**17,821,288**	**18,645,845**
EXPENSES			
Purchase of stock-in-trade (traded goods)	**17**	1,864,800	1,885,891
Employee benefit expenses	**18**	6,629,910	8,307,740
Finance costs	**19**	1,136	-
Depreciation and amortization expense	**20**	107,804	18,697
Other expenses	**21**	7,468,389	4,180,622
Total expenses		**16,072,039**	**14,392,950**
Profit before tax		**1,749,249**	**4,252,895**
Tax expense			
Current tax expense	**15.1**	425,274	1,233,340
Deferred tax	**15.2**	334,939	-
Net tax expense		**760,213**	**1,233,340**
Profit for the year		**989,036**	**3,019,555**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**989,036**	**3,019,555**
Earnings per share - (on AUD 1 per share)	**29**		
Basic (in AUD)		494,518	1,509,778
Diluted (in AUD)		494,518	1,509,778
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 : Mumbai
Date : May 06, 2025

For and on behalf of the Board of Directors of
Sonata Australia Pty Ltd.

Rajsekhar Datta Roy
Director

Place : Bengaluru
Date : May 05, 2025

Biju John
Director

Place : Brisbane
Date : May 05, 2025

SONATA AUSTRALIA PTY LTD.
Statement of Cash flows

		For the year ended March 31, 2025	For the year ended March 31, 2024
			(Amounts in AUD)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		**1,749,249**	**4,252,895**
Adjustments for :			
Depreciation and amortization expense		107,804	18,697
Interest income		(13,307)	(5,642)
Net (gain) on investments carried at fair value through profit and loss		(15,851)	(9)
Impairment loss/(gain) recognised on trade receivable		912,265	263,267
Finance cost		1,136	-
Unrealized foreign exchange (gain) / loss		319	(131,610)
Operating Profit before working capital changes		**2,741,615**	**4,397,598**
Changes in operating assets and liabilities:			
Decrease/(increase) in trade receivables		(874,332)	1,424,185
Decrease/(increase) in other current assets		(2,574,510)	(160,487)
Decrease/(increase) in other financial assets		(164,750)	424,290
(Decrease)/increase in trade payables		1,458,740	(3,038,439)
(Decrease)/increase in other current liabilities		366,373	14,846
(Decrease)/increase in other financial liabilities		32,729	(47,873)
(Decrease)/increase in short-term provisions		(85,578)	41,680
Net cash flow from / (used in) operations		**900,287**	**3,055,800**
Income taxes paid (net of refunds)		(568,168)	(1,474,182)
Net cash flow from operating activities	**A**	**332,119**	**1,581,618**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(57,824)	-
Purchase of investments		(1,047,480)	(153)
Proceeds from sale of investment		1,063,493	-
Interest received		13,307	5,642
Net cash flow from / (used in) from investing activities	**B**	**(28,504)**	**5,489**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability		(87,087)	-
Payment of dividend		-	(3,300,000)
Net cash flow used in financing activities	**C**	**(87,087)**	**(3,300,000)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	216,528	(1,712,893)
Opening cash and cash equivalents		978,030	2,690,923
Closing cash and cash equivalents		**1,194,558**	**978,030**

SONATA AUSTRALIA PTY LTD.
Statement of Cash flows

		(Amounts in AUD)
	For the year ended March 31, 2025	**For the year ended March 31, 2024**
Cash and cash equivalents at the end of the year comprises : (refer note no. 6)		
Cash on hand	625	625
Balances with banks		
In Current accounts	1,193,933	977,405
Total	**1,194,558**	**978,030**

Refer note 31 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 : Mumbai
Date : May 06, 2025

For and on behalf of the Board of Directors of Sonata Australia Pty Ltd.

Rajsekhar Datta Roy
Director

Place : Bengaluru
Date : May 05, 2025

Biju John
Director

Place : Brisbane
Date : May 05, 2025

SONATA AUSTRALIA PTY LTD.
Statement of changes in equity

(a) Equity share capital

(Amounts in AUD)

Particulars (Refer note 9)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**2**	**2**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**2**	**2**

(b) Other equity

(Amounts in AUD)

Particulars	Reserves and Surplus	
	Retained earnings	Total other equity
Balance as at April 1, 2023	**4,588,474**	**4,588,474**
Profit for the year	3,019,555	3,019,555
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the year	**3,019,555**	**3,019,555**
Transactions with owners of the company		
Contributions and distributions		
Payment of cash dividends	(3,300,000)	(3,300,000)
Balance as at March 31, 2024	**4,308,029**	**4,308,029**
Balance as at April 1, 2024	**4,308,029**	**4,308,029**
Profit for the year	989,036	989,036
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the year	**989,036**	**989,036**
Balance as at March 31, 2025	**5,297,065**	**5,297,065**

Refer note 10 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

Biju John
Director

Place : Mumbai
Date : May 06, 2025

Place : Bengaluru
Date : May 05, 2025

Place : Brisbane
Date : May 05, 2025

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 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 Sonata Australia Pty Ltd. comprises the balance sheets as at 31 March 2025; 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 2025, 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 Financial years 2023-24 included in these financial statements have not been audited.

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 is 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) 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(n)

iii) Contingent liabilities

Refer note 2.2 (p)

iv) 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 (h)

v) 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(e).

vi) Other estimates

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness, existing market conditions at the end of each reporting period.

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 it 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 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
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 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. 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. 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 OCI.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in statement of profit or 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 or 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.

e. **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 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.

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 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 increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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 absenses 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 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 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 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 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. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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.

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.

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. 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.

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.

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. 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.

c) 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.

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.

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.

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. 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.

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 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.

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 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 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 acumulated depreciation) had no impairement 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").

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 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.

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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes to the financial statements for the year ended March 31,2025

3 : Property, plant and equipment **(Amounts in AUD)**

	Tangible Assets				
Particulars	**Office Equipments**	**Furniture and Fixtures**	**Leasehold improvements**	**Plant and Equipments**	**Total Tangible Assets**
Cost					
As at April 1, 2023	19,235	36,189	-	107,655	163,079
Additions	-	-	-	-	-
Disposals/Write off	-	-	-	-	-
As at March 31, 2024	**19,235**	**36,189**	**-**	**107,655**	**163,079**
As at April 1, 2024	19,235	36,189	-	107,655	163,079
Additions	-	-	33,111	24,713	57,824
Disposals/Write off	-	-	-	-	-
As at March 31, 2025	**19,235**	**36,189**	**33,111**	**132,368**	**220,903**
Accumulated depreciation					
As at April 1, 2023	19,235	36,189	-	65,207	120,631
Depreciation for the Year	-	-	-	18,697	18,697
Disposals/Write off	-	-	-	-	-
As at March 31, 2024	**19,235**	**36,189**	**-**	**83,904**	**139,328**
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	-	-	-	-	-
As at March 31, 2025	**19,235**	**36,189**	**4,292**	**101,465**	**161,181**
Net carrying value:					
As at March 31, 2025	**-**	**-**	**28,819**	**30,903**	**59,722**
As at March 31, 2024	**-**	**-**	**-**	**23,751**	**23,751**

-No impairment loss have been recognized on property, plant and equipment for the year ended March 31, 2025 and for the year ended March 31, 2024.

-No revaluation of tangible assets were carried out for the year ended March 31, 2025 and for the year ended March 31, 2024.

(Amounts in AUD)

	As At March 31, 2025	As At March 31, 2024
4 : Investments		
Investments carried at fair value through profit and loss:		
Investments in funds (Traded, quoted)		
HSBC US treasury money market funds	-	162
Total	**-**	**162**
Aggregate book value of quoted investments	-	162
Aggregate market value of quoted investments	-	162
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit or loss	-	162
5 : Trade receivables		
Unsecured*		
Billed		
Considered good	5,504,217	4,093,261
Less: Allowance for credit losses	(33,842)	-
	5,470,375	4,093,261
Credit impaired	1,097,348	251,072
Less : Allowance for credit losses	(1,097,348)	(251,072)
	-	-
Unbilled	61,016	1,463,280
Total	**5,531,391**	**5,556,541**

For the amounts receivable from Related parties refer note 30.
*Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 26.

Trade receivable ageing schedule

Particulars	Outstanding for the following period from due date of payments							Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	2,446,275	2,174,559	153,920	274,966	282,719	171,778	5,504,217
Undisputed Trade receivables - credit impaired	-		-	-	1,097,348			1,097,348
Disputed trade receivables - considered good	-		-	-	-			-
Less : Allowance for credit losses	-	(15,041)	(13,370)	(946)	(1,099,039)	(1,738)	(1,056)	(1,131,190)
Unbilled	61,016	-	-	-	-	-	-	61,016
Total	**61,016**	**2,431,234**	**2,161,189**	**152,974**	**273,275**	**280,981**	**170,722**	**5,531,391**

Particulars	Outstanding for the following period from due date of payments							Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024								
Undisputed trade receivables - considered good	-	1,292,202	1,738,054	582,790	480,215	-	-	4,093,261
Undisputed Trade receivables - credit impaired	-	-	-	251,072	-	-	-	251,072
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	-	-	(251,072)	-	-	-	(251,072)
Unbilled	1,463,280	-	-	-	-	-	-	1,463,280
Total	**1,463,280**	**1,292,202**	**1,738,054**	**582,790**	**480,215**	**-**	**-**	**5,556,541**

	As At March 31, 2025	As At March 31, 2024
6 : Cash and cash equivalents		
Cash on hand	625	625
Balances with banks		
In Current accounts	1,193,933	977,405
Total	**1,194,558**	**978,030**

(Amounts in AUD)

	As At March 31, 2025	As At March 31, 2024
7 : Other financial assets		
Unsecured, considered good		
Advances recoverable from related parties (Refer note 30)	248,552	103,236
Security deposits	25,792	20,372
Total	**274,344**	**123,608**
8 : Other current assets		
Unsecured, considered good		
Prepaid expenses	35,896	57,241
Contract assets (Refer note 22)	2,612,013	-
Advances to employees	54,975	46,980
Other recoverables	153,877	178,030
Total	**2,856,761**	**282,251**
9 : Equity share capital		
Authorized		
Common Stock 2 shares at AUD 1 par value	**2**	**2**
(As at March 31, 2024: Common Stock 2 shares at AUD 1 par value)		
Issued, Subscribed and paid-up		
2 shares at $1 par value each fully paid-up	2	2
(As at March 31, 2024: 2 shares at AUD 1 par value each fully paid-up)		
Total	**2**	**2**

Refer note (i) to (v) 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, 2025	
	No of shares	**Amount in AUD**
Outstanding at the beginning of the year	2	2
Add: Common stock issued during the year	-	-
Outstanding at the end of the year	**2**	**2**

	As at March 31, 2024	
	No of shares	**Amount in AUD**
Outstanding at the beginning of the year	2	2
Add: Share issued during the year	-	-
Outstanding at the end of the year	**2**	**2**

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, 2025	
	No of shares	**% of holding in**
Sonata Software Limited	2	100%

	As at March 31, 2024	
	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 preceeding the reporting date. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

v) During the year ended March 31, 2025, the Company has incurred a net cash outflow of AUD Nil towards distribution of dividend. (During the year ended March 31, 2024, the Company has incurred a net cash outflow of AUD 3,300,000).

(Amounts in AUD)

	As At March 31, 2025	As At March 31, 2024
10 : Other equity		
Retained Earnings		
Opening balance	4,308,029	4,588,474
Profit for the year	989,036	3,019,555
Less: Dividend Paid	-	(3,300,000)
Closing balance	**5,297,065**	**4,308,029**

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

11 : Trade payables		
Total outstanding dues of creditors	1,877,333	419,505
Total	**1,877,333**	**419,505**

For the amounts payable to Related parties refer note 30.
Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in Note 26.

12 : Other financial liabilities		
Employee benefits payable	123,732	65,319
Reimbursable expenses payable to related party (Refer note 30)	3,198	28,882
Total	**126,930**	**94,201**
13 : Other current liabilities		
Contract liabilities (Refer note 22)	802,323	102,403
Statutory remittances	260,963	276,671
Advances from customers	32,374	350,859
Others	1,875	1,229
Total	**1,097,535**	**731,162**
14 : Provisions		
Provision for employee benefits - leave encashment	302,041	387,619
Total	**302,041**	**387,619**
15 : Current tax liabilities (net)		
Provision for tax (net of advance tax AUD 656,568 (for March 31, 2024 655,348))	1,681,019	1,796,847
Total	**1,681,019**	**1,796,847**

(Amounts in AUD)

	For the year ended March 31, 2025	For the year ended March 31, 2024

15.1. Income taxes

The income tax asset is AUD 800,088 (net of provision for tax of AUD 1,636,854) as at March 31, 2025 and AUD 773,072 (net of provision for tax of AUD 1,636,865) as at March 31, 2024

	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax expense in the statement of profit and loss consists of:		
Current tax:		
In respect of current year	425,274	1,233,340
Deferred tax:		
In respect of current year	334,939	-
Total Income tax expense recognised in the statement of profit and loss	**760,213**	**1,233,340**

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:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	1,749,249	4,252,895
Enacted income tax rate in Australia	30.00%	30.00%
Computed expected tax expense	524,775	1,275,869
Effect of:		
Items that are non- deductible in determining taxable profit	1,283	-
Effect relating to prior years	234,155	-
Others	-	(42,530)
Others	**760,213**	**1,233,339**

The applicable Australian corporate tax rate for the year ended March 31, 2025 & March 31, 2024 is 30%

15.2. Deferred taxes

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
Others	-	798,236	-	(798,236)
Total	**-**	**334,939**	**-**	**(334,939)**

		(Amounts in AUD)
	For the year ended March 31, 2025	**For the year ended March 31, 2024**
16.1 : Revenue from operations (Refer note 22)		
Revenue from software services	15,392,783	14,290,176
Revenue from software product and licenses	2,294,546	3,248,368
Other operating revenues	104,801	1,101,024
Total	**17,792,130**	**18,639,568**
16.2 : Other income		
Interest income	13,307	5,642
Net gain on investments carried at fair value through profit or loss	15,851	9
Miscellaneous income	-	626
Total	**29,158**	**6,277**
17 : Purchase of stock-in-trade (traded goods)		
Purchase of stock-in-trade (traded goods)	1,864,800	1,885,891
Total	**1,864,800**	**1,885,891**
18 : Employee benefit expenses		
Salaries, wages and bonus	5,966,543	7,425,999
Contributions to provident and other funds	613,497	843,186
Staff welfare expenses	49,870	38,555
Total	**6,629,910**	**8,307,740**
19 : Finance costs		
Interest expense on financial liabilities measured at amortized cost (Refer note 31)	1,136	-
	1,136	**-**
20 : Depreciation and amortization expenses		
Depreciation of property, plant and equipment (Refer note 3)	21,853	18,697
Depreciation of right of use assets (Refer note 31)	85,951	-
	107,804	**18,697**
21 : Other expenses		
Power and fuel	3,963	-
Rent (Refer note 31)	43,199	184,528
Repairs and maintenance	1,769	525
Insurance	35,253	30,546
Rates and taxes	40,329	3,474
Communication cost	36,782	40,108
Facility maintenance	58,710	54,082
Travelling and conveyance expenses	76,977	106,548
Software Project fees (Refer note 30)	5,380,784	2,260,781
Professional and technical fees	77,137	56,561
Insourcing professional fees	678,352	1,156,239
Net loss on foreign currency transaction and translation	64,783	(153,157)
Impairment loss recognised on trade receivable	912,265	263,267
Recruitment	18,928	59,033
Software Licence Fee	10,432	64,170
Miscellaneous expenses	28,726	53,917
Total	**7,468,389**	**4,180,622**

22 Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2025 and March 31, 2024 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

(Amounts in AUD)

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Australia	Other than Australia	Total	Australia	Other than Australia	Total
Revenue from software services (over the period)						
Time and material	4,007,009	736,565	4,743,574	8,485,944	581,640	9,067,584
Fixed price	10,645,409	108,601	10,754,010	6,293,489	30,127	6,323,616
Revenue from software product and licenses at a point in time	1,571,365	723,181	2,294,546	2,344,585	903,783	3,248,368
Total	**16,223,783**	**1,568,347**	**17,792,130**	**17,124,018**	**1,515,550**	**18,639,568**

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, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**-**	**-**
Amount accrued during the year	8,627,549	-
Deduction on account of revenues billed during the year	(6,015,536)	-
Balance as at end of the year	**2,612,013**	**-**

Contract liabilities

The below table discloses the movement in the balance of contract liabilities:

(Amounts in AUD)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**102,403**	**65,438**
Additional amounts billed but not recognized as revenue	2,140,332	88,920
Deduction on account of revenues recognised during the year	(1,440,412)	(51,955)
Balance as at end of the year	**802,323**	**102,403**

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, 2025, other than those meeting the exclusion criteria mentioned above, is AUD 1,726,554. The Company expects to recognize the revenue within the next one year is 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 Contingent liabilities

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

24 Financial instruments

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
Financial assets					
Trade receivable	5	-	-	5,531,391	5,531,391
Cash and cash equivalents	6	-	-	1,194,558	1,194,558
Other financial assets	7	-	-	274,344	274,344
Total		**-**	**-**	**7,000,293**	**7,000,293**
Financial liabilities					
Trade payables	11	-	-	1,877,333	1,877,333
Other financial liabilities	12	-	-	126,930	126,930
Total		**-**	**-**	**2,004,263**	**2,004,263**

The carrying value of financial instruments by categories as at March 31, 2024 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
Financial assets					
Investments in funds (quoted)	4	162	-	-	162
Trade receivable	5	-	-	5,556,541	5,556,541
Cash and cash equivalents	6	-	-	978,030	978,030
Other financial assets	7	-	-	123,608	123,608
Total		**162**	**-**	**6,658,179**	**6,658,341**
Financial liabilities					
Trade payables	11	-	-	419,505	419,505
Other financial liabilities	12	-	-	94,201	94,201
Total		**-**	**-**	**513,706**	**513,706**

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.

25 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, 2025 and March 31, 2024.

Quantitative disclosures of fair value measurement hierarchy for financial assets is as under:

(Amounts in AUD)

Particulars	Fair value as at		Fair value hierarchy
	March, 31 2025	March, 31 2024	
Investments in mutual funds (quoted)	-	162	Level 1

26 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 outstanding accounts receivable. The maximum exposure to credit risk at the reporting date is primerily 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, 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):

(Amounts in AUD)

Particulars	**For the year ended**	
	March 31, 2025	**March 31, 2024**
Revenue from two customer having more than 10% of total revenue	7,846,489	4,421,411

Geographic concentration of credit risk

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

Particulars	**As at March 31, 2025**		**As at March 31, 2024**	
	Australia	**Outside Australia**	**Australia**	**Outside Australia**
Trade receivables (Billed)	6,516,868	84,697	4,131,620	212,713
Allowance for credit loss	1,131,190	-	251,072	-
% of credit loss to trade receivables	17%	0%	6%	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. There are no trade receivables or other financial assets which have a significant increase in credit risk.

Movement in allowances for credit losses

(Amounts in AUD)

Particulars	**March 31, 2025**	**March 31, 2024**
Balance at the beginning of the year	251,072	(8,643)
Allowance for expected credit loss (net)	912,265	263,267
Bad debts written off during the year	(29,374)	(876)
Forex	(2,773)	(2,676)
Balance at the end of the year	**1,131,191**	**251,072**

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.

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:

(Amounts in AUD)

Particulars	As at 3/31/2025	As at 3/31/2024
Cash and cash equivalents	1,194,558	978,030
Investments in funds (quoted)	-	162
Trade receivables	5,531,391	5,556,541
Other financial assets	274,344	123,608
Other current assets	2,856,761	282,251

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025 and March 31, 2024:

(Amounts in AUD)

Particulars	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

Particulars	As at March 31, 2024			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	419,505	-	-	419,505
Other financial liabilities	94,201	-	-	94,201

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: **Amounts in AUD**

As at March 31, 2025	USD	INR	GBP	MYR
Assets				
Trade receivables	2,607,003	-	-	-
Liabilities				
Trade payables	4,313	1,352,487	4,189	9,687
Net assets/liabilities	**2,602,690**	**(1,352,487)**	**(4,189)**	**(9,687)**

As at March 31, 2024	USD	INR	GBP	MYR
Assets				
Trade receivables	798,796	-	-	-
Liabilities				
Trade payables	279,898	27,753	-	20,068
Other liabilities		5,000		23,882
Net assets/liabilities	**518,898**	**(32,753)**	**-**	**(43,950)**

A reasonably possible strengtening by 1% of respective currency against the AUD as at March 31, 2025 and March 31, 2024 will affect the statement of profit and loss by the amounts shown below:

Amounts in AUD

Currencies	March 31, 2025	March 31, 2024
USD	26,027	5,189
INR	(13,525)	(328)
GBP	(42)	-
MYR	(97)	(440)

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.

27 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:

(Amounts in AUD)

Particulars	March 31, 2025	March 31, 2024
Total equity attributable to the equity share holders of the Company	5,297,067	4,308,031
As percentage of total capital	100%	100%
Total borrowings	-	-
Total lease liabilities	-	-
Total borrowings and lease liabilities	**-**	**-**
As a percentage of total capital	0%	0%
Total capital (borrowings and equity)	**5,297,067**	**4,308,031**

The Company is predominantly equity financed which is evident from the capital structure table.

28 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.

29 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, 2025	Year ended March 31, 2024
Profit after tax attributable to equity shareholders (a)	989,036	3,019,555
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)	494,518	1,509,778
Diluted earning per share (a/c) (AUD)	494,518	1,509,778

30 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 :

Particulars	March 31, 2025	March 31, 2024
Revenue from Services		
Sonata Software Limited	238,730	218,130
Software Project fees		
Sonata Software Limited	4,219,431	1,986,351
Sonata Europe Limited	53,411	-
Sonata Software Malaysia SDN. BHD., Malaysia	95,828	20,068
Sonata Software Solutions Limited	1,012,114	254,362
Dividend paid		
Sonata Software Limited	-	3,300,000
Reimbursement of expenses paid		
Gapbuster Worldwide Pty Ltd	610,093	16,002
Sonata Software Worldwide Malaysia Sdn. Bhd.	3,120	60,595
Sonata Software Limited	2,908	43,903
Reimbursement of expenses Received		
Gapbuster Worldwide Pty Ltd	144,809	3,344
Sonata Software Limited	174,075	3,810
<u>Balances outstanding at the end of the year</u>		
Trade Receivables		
Sonata Software Limited	926,218	708,771
Trade Payables		
Sonata Software Solutions Limited	319,044	27,753
Sonata Software Limited	1,033,444	
Sonata Europe Limited	4,189	-
Sonata Software Malaysia SDN. BHD., Malaysia	9,687	20,068
Reimbursement of expenses payable		
Sonata Software Malaysia SDN. BHD., Malaysia	-	23,882
Sonata Software Limited	-	5,000
Gapbuster Worldwide Pty Ltd	3,198	-
Reimbursement of expenses receivable		
Sonata Software Limited	248,552	65,131
Gapbuster Worldwide Pty Ltd	-	38,105

SONATA AUSTRALIA PTY LTD.
Notes to the financial statements for the year ended March 31, 2025

31 : Leases

The Company leases mainly comprise of buildings. The Company leases buildings for operational purposes. Ind AS 116 has been adopted by the Company effective from 1 April 2024 onwards.

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

(Amounts in AUD)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	-	-
Additions during the year	85,951	-
Deletion	-	-
Depreciation for the year	(85,951)	-
Balance at the end of the year	**-**	**-**

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, 2025	For the year ended March 31, 2024
Non-cash changes		
Additions	85,951	-
Finance cost accrued during the year	1,136	-
Deletions	-	-
Cash changes	-	-
Payment of lease liabilities	(87,087)	-
Balance at the end of the year	**-**	**-**

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

(Amounts in AUD)

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	-	-
Non-current lease liabilities	-	-
Total	**-**	**-**

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 March 31, 2025	As at March 31, 2024
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, 2025	For the year ended March 31, 2024
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)*	43,199	184,528
Total	**130,286**	**184,528**

* 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

Vivek Gopalakrishnan
Partner
Membership No. 522796

Place : Mumbai
Date : May 06, 2025

For and on behalf of the Board of Directors of
SONATA AUSTRALIA PTY LTD.

Rajsekhar Datta Roy
Director

Place : Bengaluru
Date : May 05, 2025

Biju John
Director

Place : Bengaluru
Date : May 05, 2025

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED, CHENNAI
Balance Sheet as at March 31, 2025

(Rs. In Lakhs)

	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	84	138
Right-of-use assets	**3**	171	399
Other Intangible Assets	**3**	0	-
Other financial asset	**4**	-	63
Income tax assets (net)			113
Deferred tax assets (net)	**18.1**	14	47
Other non-current assets	**5**	-	-
Total non-current assets		**269**	**760**
Current assets			
Financial assets			
Investments	**6**	170	101
Trade receivables	**7**	2	199
Other financial assets	**8**	65	-
Cash and cash equivalents	**9**	121	271
Other current assets	**10**	510	458
Total current assets		**868**	**1,029**
Total assets		**1,137**	**1,789**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**11**	1	1
Other equity	**12**	833	934
Total Equity		**834**	**935**
LIABILITIES			
Non-current liabilities			
Other financial liabilities	**13**	-	199
Total non-current liabilities		**-**	**199**
Current liabilities			
Financial liabilities			
Trade payables	**14**		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		48	60
Other financial liabilities	**15**	199	226
Other current liabilities	**16**	3	145
Provisions	**17**	-	224
Current tax liabilities (net)	**18**	53	-
Total current liabilities		**303**	**655**
Total equity and liabilities		**1,137**	**1,789**

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of Encore IT Services Solutions Private Limited

As per our report of even date

For ESSVEEYAR

CHARTERED ACCOUNTANTS
F.R.N:000808S

Arunkumar Kalyanaraman
Director
DIN:10856475

Suresh HP
Director
DIN: 10124549

K.Sekar
PARTNER
Membership No. 028562

Place: Chennai
Date: 05 May 2025

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED, CHENNAI
Statement of Profit and Loss for the year ended March 31, 2025

(Rs. In Lakhs)

	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE			
Revenue from operations	**19**	4,706	8,581
Other income	**20**	32	29
Total income		**4,738**	**8,610**
EXPENSES			
Purchases of stock-in-trade (traded goods)	**21**	24	-
Employee benefits expense	**22**	3,153	6,154
Finance costs	**23**	32	52
Depreciation and amortization expense	**3**	284	273
Other expenses	**24**	481	668
Total expenses		**3,974**	**7,147**
Profit before tax		**764**	**1,463**
Tax expense			
Current tax		341	376
Deferred tax		31	(10)
Net tax expense		**372**	**366**
Profit for the year		**392**	**1,097**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of defined benefit plans		10	(46)
(b) Income tax relating to items that will not be reclassified to profit/(loss)		(2)	12
		8	**(34)**
2. Items that will be reclassified to profit/(loss)			
(a) Fair value changes on derivatives designated as cash flow hedge, net		(3)	14
(b) Income tax relating to Items that will be reclassified to profit/(loss)		1	(3)
		(2)	**11**
Total comprehensive income		**398**	**1,074**
Earning per share - (Face Value Rs. 100 per share)			
Basic (in Rs.)		39,880	107,538
Diluted (in Rs.)		39,880	107,538

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Encore IT Services Solutions Private Limited

For ESSVEEYAR

CHARTERED ACCOUNTANTS
F.R.N:000808S

Arunkumar Kalyanaraman
Director
DIN:10856475

Suresh HP
Director
DIN: 10124549

K.Sekar
PARTNER
Membership No. 028562

Place: Chennai
Date: 05 May 2025

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED, Chennai
Cash Flow Statement for the year ended March 31, 2025

(Rs. In Lakhs)

		For year ended March 31, 2025	For year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		**764**	**1,463**
Adjustments for :			
Depreciation and amortization expense		284	273
Interest received on income tax refund			(8)
Interest on Deposits			(1)
Interest expense			52
Loss on sale of assets		-	
Assets written off			23
Excess of carrying costs over fair value of current investments		(7)	(14)
Unrealized foreign exchange (gain) / loss (net)		50	-
Operating profit before working capital changes		**1,091**	**1,788**
Adjustments for :			
Decrease/(increase) in trade receivables		197	(199)
Decrease/(increase) in inventories			
Decrease/(increase) in other non current assets		-	-
Decrease/(increase) in other current assets		(52)	(63)
(Decrease)/increase in other non-current financial assets		63	(4)
(Decrease)/increase in trade payables		(13)	25
(Decrease)/increase in other current financial assets		(66)	
(Decrease)/increase in other financial liabilities		-	(22)
(Decrease)/increase in other current liabilities		(132)	(46)
(Decrease)/increase in provisions		(225)	45
Cash generated from operations:		**863**	**1,525**
Direct taxes/advance tax (paid)/refund (net)		(295)	(342)
Net cash flow from / (used in) operating activities	**(A)**	**568**	**1,183**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipments		(2)	(76)
Proceeds from sale of investments		(3,520)	171
Purchase of current investments		3,559	-
Interest received		-	1
Disposal of property, plant and equipments		-	2
Net cash flow from / (used in) investing activities	**(B)**	**37**	**99**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interim Dividend paid		(500)	(1,100)
Lease liability paid		(255)	(252)
Net cash flow from / (used in) financing activities	**(C)**	**(755)**	**(1,352)**
Net increase/(decrease) in Cash and cash equivalents	**(A+B+C)**	(150)	(70)
Opening Cash and cash equivalents		271	341
Closing Cash and cash equivalents		**121**	**271**
Cash and cash equivalents at the end of the period comprises:			
Cheques, drafts on hand		0	0
Balances with banks			
In Current accounts		121	271
Total		**121**	**271**

The Cashflow is prepared under the indirect method

As per our report of even date

For and on behalf of the Board of Directors of Encore IT Services Solutions Private Limited

For ESSVEEYAR

CHARTERED ACCOUNTANTS
F.R.N:000808S

Arunkumar Kalyanaraman
Director
DIN:10856475

Suresh HP
Director
DIN: 10124549

K.Sekar
PARTNER
Membership No. 028562
UDIN:

Place: Chennai
Date: 05 May 2025

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED, Chennai
Statement of changes in equity
(a) Equity share capital

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**1.00**	**1.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	1.00	1.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1.00**	**1.00**

(b) Other equity **(Rs. In Lakhs)**

Particulars	Reserves and Surplus (Refer note 9)		Effective portion of cash flow hedges (Refer note 9)	Total Other Equity
	Retained earnings	Remeasurement of the defined benefit plans		
Opening Balance				
Balance as at April 1, 2022	**658**	**9**	**-**	**667**
Securities Premium received out of issue of shares	-			-
Profit for the year	638	-	-	638
Income tax adjustment of earlier years	-12	-	-	-12
Other comprehensive income (net of tax)	-	-22	-	-22
Total comprehensive income for the year	**626**	**-22**	**-**	**604**
Adjustments during the period				
Payment of cash dividends	-300	-	-	-300
MTM valuation	-	-	-11	-11
Dividend distribution tax	-	-	-	-
Balance as at March 31, 2023	**984**	**-13**	**-11**	**960**
Balance as at April 1, 2023	**984**	**-13**	**-11**	**960**
Profit for the year	1,097	-	-	1,097
MTM valuation	-	-	11	11
Other comprehensive income (net of tax)	-	-34	-	-34
Total comprehensive income for the year	**2,081**	**-34**	**11**	**1,074**
Adjustments during the period			-	-
Payment of cash dividends	-1,100			-1,100
Balance as at March 31, 2024	**981**	**-47**	**-**	**934**
Balance as at April 1, 2024	**981**	**-47**	**-**	**934**
Profit for the year	392	-	-	392
MTM valuation	-	-	-2	-2
Other comprehensive income (net of tax)	-	8	-	8
Total comprehensive income for the year	**1,373**	**8**	**-2**	**398**
Adjustments during the period			-	-
Payment of cash dividends	-500			-500
Balance as at March 31, 2025	**873**	**-39**	**-2**	**832**

As per our report of even date attached

For and on behalf of the Board of Directors of Encore IT Services Solutions Private Limited

For ESSVEEYAR

CHARTERED ACCOUNTANTS
F.R.N:000808S

Arunkumar Kalyanaraman
Director
DIN:10856475

Suresh HP
Director
DIN: 10124549

K.Sekar
PARTNER
Membership No. 028562
UDIN:

Place: Chennai
Date: 05 May 2025

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED

Notes forming part of financial statements

3 - Property, Plant and Equipment

(Rs. In Lakhs)

	Tangible Assets				Right-of-use leased assets	Intangible Assets	
Particulars	**Plant and equipments**	**Office equipments**	**Furniture and fixtures**	**Total**		**Softwares**	**Total**
Gross carrying value (Deemed cost)							
As at April 1, 2023	415	63	9	**486**	683	44	**44**
Additions	71	3	2	**76**	-	-	**-**
Disposals	-	-	-	**-**	-	-	**-**
Asset written off	-66	-19		**-86**	-	-	**-**
Reclassification	-	-	-	**-**	-	-	**-**
As at March 31, 2024	**419**	**46**	**11**	**476**	**683**	**44**	**44**
				-			
As at April 1, 2024	419	46	11	**476**	683	44	**44**
Additions	0	2	-	**2**	-	-	**-**
Disposals	-15	-1	-	**-16**	-	-	**-**
Asset written off				**-**	-	-	**-**
Reclassification	-	-	-	**-**	-	-	**-**
As at March 31, 2025	**405**	**47**	**11**	**463**	**683**	**44**	**44**
As at April 1, 2023	307	48	4	**358**	57	42	**42**
Depreciation for the year	40	3	1	**44**	228	1	**1**
Asset written off	-45	-18	-0	**-63**		0	**0**
Disposals	-	-	-	**-**	-	-	**-**
Translation difference	-	-	-	**-**	-	-	**-**
As at March 31, 2024	**301**	**33**	**4**	**338**	**285**	**44**	**44**
As at April 1, 2024	301	33	4	**338**	285	44	**44**
Depreciation for the year	51	3	1	**56**	228	0	**0**
Asset written off	-14	-1	-	**-14**	-	-	**-**
Disposals	-	-	-	**-**	-	-	**-**
Translation difference	-	-	-	**-**	-	-	**-**
As at March 31, 2025	**339**	**35**	**5**	**380**	**513**	**44**	**44**
Net carrying value							
As at March 31, 2024	**118**	**13**	**6**	**138**	**399**	**0**	**0**
As at March 31, 2025	**67**	**12**	**5**	**84**	**171**	**0**	**0**

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED
Notes forming part of financial statements

(Rs. In Lakhs)

	As at March 31, 2025	As at March 31, 2024
Non-current assets		
4. Other financial assets		
Security deposits	-	63
	-	**63**
5 Other non-current assets		
Unsecured, considered good		
Other deposits	-	-
Less : Allowance for doubtful recoverable	-	-
	-	-
	-	**-**
Current assets		
6. Investments		
Non-trade (UnQuoted)		
Investments in mutual funds (Unquoted) - At lower of cost and fair value, unless otherwise stated		
Tata Money Market	66	-
HSBC Money Market Fund	104	101
	170	**101**
7. Trade receivables		
Unsecured		
Considered good	2	199
Considered doubtful	-	
	2	199
Less : Allowances for credit losses	-	-
	2	**199**

* No trade 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.

Trade receivable ageing schedule

	Outstanding for the following period from due date of payments					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Year	More than 3 years	
Undisputed Trade Receivables - Considered Good						
As at March 31, 2025	2	-	-	-	-	**2**
As at March 31, 2024	-	199	-	-	-	**199**

*the above amount is due from the Related Party debtor

8. Other financial assets		
Security deposits	65	-
Total	**65**	**-**

	As at March 31, 2025	As at March 31, 2024
9. Cash and cash equivalents		
Balances with banks		
In current accounts	121	271
	121	**271**
10. Other current assets		
Prepaid expenses	13	50
GST credit receivable	493	388
Other recoverables	4	11
Exports (Forward Cover)	0	9
	510	**458**

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED
Notes forming part of financial statements

(Rs. In Lakhs)

	As at March 31, 2025	As at March 31, 2024
11. Equity share capital		
Authorized		
5,000 equity shares of face value ₹ 100/- each	**5**	**5**
(As at March 31, 2025 - 5,000 equity shares of face value ₹ 100/- each)		
Issued		
999 equity shares of face value ₹ 100/- each fully paid-up	**1**	**1**
(As at March 31, 2025 - 999 equity shares of face value ₹ 100/- each)		
Subscribed and paid-up		
999 equity shares of face value ₹ 100/- each fully paid-up	**1**	**1**
(As at March 31, 2025 - 999 equity shares of face value ₹ 100/- each)		
Total	**1**	**1**

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	As at March 31, 2025		As at March 31, 2024	
	No of shares	**Rs.**	**No of shares**	**Rs.**
Number of shares outstanding at the beginning of the year	999	99,900	999	99,900
Add: Share issued	-	-	-	-
Number of shares outstanding at the end of the year	999	99,900	999	99,900

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 ₹ 100/-. 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

	March 31, 2025	March 31, 2024
Equity shares with voting rights	**No. of shares**	**No. of shares**
Sonata Software Limited (Holding Company) and its nominees	999	999

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

Sonata Software Limited (Holding Company) and its nominees	**No. of shares**	**No. of shares**
	998	999
	100%	100%

vi) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date

12. Other equity

Retained earnings		
Opening balance	982	984
Profit for the period	392	1,097
Final dividend paid (for the year 2023-24)	500	
Interim Dividend Paid		1,100
Income Tax/adjustments of Earlier Year	-	-
Closing balance	**874**	**981**

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

Other Comprehensive Income

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED
Notes forming part of financial statements

	As at March 31, 2025	As at March 31, 2024
		(Rs. In Lakhs)
Remeasurement of the defined benefit plans		
Opening balance	-47	-13
Actuarial gain or (losses) on gratuity benefit are recognised in other comprehensive income.	10	-46
Tax impact on above	-2	12
Closing balance	**-39**	**-47**
Effective portion of cash flow hedges		
Opening balance	-	-11
Fair value changes on derivatives designated as cash flow hedge	-3	14
Tax impact on above	1	-3
Closing balance	**-2**	-
	833	**934**

Non-current liabilities

13. Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	-	199
Exports (Forward Cover)	-	-
	-	**199**

Current liabilities

14. Trade payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	48.00	60.00
	48.00	**60.00**

Trade Payable ageing schedule

	Outstanding for the following period from due date of payments					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Year	More than 3 years	
(i) As at March 31, 2025						
MSME	-	-	-	-	-	-
Others	-	48	-	-	-	48
Total	-	**48**	-	-	-	**48**
(ii) As at March 31, 2024						
MSME		-	-	-	-	-
Others		60	-	-	-	60
Total	-	**60**	-	-	-	**60**

Out of the above a sum of Rs 6.24 Lakhs is due from the Holding company

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, 2025 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, 2025**	**As at March 31, 2024**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting		
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(Rs. In Lakhs)

	As at March 31, 2025	As at March 31, 2024

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. This has been relied upon by the auditors.

The table below provides details regarding the ageing of trade payables as at March 31, 2025:

Particulars	Outstanding for the following period from due date of payments:*					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	48	-	-	-	48
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-

The table below provides details regarding the ageing of trade payables as at March 31, 2024:

Particulars	Outstanding for the following period from due date of payments:*					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	60	-	-	-	60
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-

* In the absence of due date of payment, above disclosure to be provided from the date of the transaction.

* During the current financial year there are no transactions with struck off companies.

	As at March 31, 2025	As at March 31, 2024
15. Other financial liabilities		
Lease Liabilities	199	226
Exports (Forward Cover)	-	-
	199	**226**
16. Other current liabilities		
Advance from related Party	-	-
Gratuity payable (net)	-	27
Statutory remittances	3	118
	3	**145**
17. Provisions		
Provision for employee benefits - Compensated absences	-	52
Provision for Bonus and Exgratia	-	172
	-	**224**
18. Current tax liabilities (net)		
Provision for income tax of earlier years	53	-
	53	**-**
18.1. Deferred tax Assest/Liability:		
Opening Balance	47	29
Add: Deferred tax asset for the year	-33	18
	14	**47**

(Rs. In Lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
19. Revenue from operations		
Revenue from software services	4,678	8,581
Other operating revenues	28	-
Total	**4,706**	**8,581**

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

Disaggregate revenue information
The table below presents disaggregated revenues from contracts with customers for the period ended March 31, 2025 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Time and Material	4,678	8,581.00
Total	**4,678**	**8,581.00**

20. Other income		
Interest		
Interest on financial assets carried at amortised cost	2	1
from Income tax refund	-	8
Provision no longer required written back	-	-
Profit on sale of investments	23	18
Net gain / (loss) on excess of fair value over carrying costs of current investments	7	-4
Miscelleneous income	-	6
Total	**32**	**29**
21 Purchases of stock-in-trade (traded goods)		
Purchases of stock-in-trade (traded goods)	24	-
Total	**24**	**-**
22 Employee benefits expense		
Salaries, wages, bonus and allowances (Including directors remuneration)	3,056	5,981
Contributions to provident and other funds	70	131
Staff welfare expenses	27	42
Total	**3,153**	**6,154**
23. Finance costs		
Interest expenses on:		
Others	-	-
Lease rental discounted	32	52
Total	**32**	**52**

(Rs. In Lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
24. Other expenses		
Power and fuel	28	32
Rent	-1	-
Repairs and maintenance - machinery	2	8
Insurance	43	66
Rates and taxes	-	2
Communication cost	17	27
Facility maintenance	58	65
Travelling and conveyance expenses	8	36
Professional and technical fees	26	55
Insourcing professional fees	188	281
Payments to auditors	1	1
Net loss/(gain) on foreign currency transactions and translations	50	1
Software license fee	14	20
Client billed asset	-	-
CSR Expenses	16	8
Loss on sale of fixed assets	-	
Property, plant and equipments not available/not in use written off	-	23
Miscellaneous expenses	31	43
Total	**481**	**668**

ENCORE IT SERVICES SOLUTIONS PRIVATE LIMITED, Chennai
Notes forming part of financial statements

1 COMPANY OVERVIEW

Encore IT Services Solutions Private Limited (“ENIN” or the “Company”) is a Company primarily engaged in the business of providing Information technology services and solutions to its customer in the United States of America.

The Company is a private limited company incorporated on April 15, 2009 and domiciled in India with its registered office at HTC Tower, 41, GST road, Guindy, ChennaiTamil Nadu, India, 600032 and operationally headquartered at Hyderabad. The financial statements have been approved for issue by the Company's Board of Directors on May 5, 2025.

The principal 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 SIGNIFICANT 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 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 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), as applicable to the standalone financial statements.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention 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, 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 Group’s normal operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. 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 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.

All amounts rounded off to the nearest Rs in Lakhs unless otherwise indicated.

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) Income taxes

The Company's major tax jurisdictions is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income 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.

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) Revenue Recognition

Refer note 2.3(j)(b)

iv) 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 as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note-2.3(n).

v) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, 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.

Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of forecasted transactions.

2.2 SUMMARY OF SIGNIFICANT 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 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 it's 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

Depreciable amount for assets is the cost of asset less its estimated residual value.

Depreciation has been provided on plant and equipments, furniture and fixtures and office equipments on the straight line method , as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Asset class	**Useful life**
Plant and machinery (Computers)	3 years
Plant and machinery (Servers and other networking assets)	6 years
Furniture and fixtures	10 years
Office equipments	5 years

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	5 years

d. Leases

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the 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. The Company recognises the lease payments associated with these leases as an expense over the lease term.

e. Financial instruments

All financial instruments 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. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

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.

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, investments in mutual funds and eligible current and non-current assets.
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 OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

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 with all changes recorded in the statement of profit and loss.

Non-derivative financial liabilities

Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by 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.

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 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. When a hedging instrument expires, swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in statement of changes in equity is recognised in the statement of profit and 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.

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 obligation is to pay a fixed amount 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: Employees receive benefits from government adminstered provident fund. The employer and employees each make periodic contributions to the government adminstered provident fund. A portion of the contribution is made to the government adminstered provident fund while the remainder of the contribution is made to the pension fund.

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 administers 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 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.

Long-term employee benefits

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.

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.

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 recognised 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

Deferred tax liability (DTL) is not recognised on the accumulated undistributed profits of the subsidiary Group 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. Cash flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period 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.

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

a) Time and materials contracts

Revenues from contracts priced on a time and material basis are recognised when services are rendered 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.

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.

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.

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 Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

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.

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. 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, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
22 Income taxes		
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	341	376
Short provision for tax relating to prior years		
Deferred Tax:		
In respect of current year	31	-10
Total Income tax expense recognised in the statement of profit and loss	**372**	**366**

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	764	1,463
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	192	368
Effect of:		
Others	70	-2
Income tax expense recognised in the statement of profit and loss	**262**	**366**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 is 25.71% (year ended March 31, 2024 is 25.71%).

Under the Income-tax Act, 1961, SSSL is liable to pay Minimum Alternate Tax(MAT) in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised 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 realised

23 Deferred tax assets (net)

(b) The following are the deferred tax liability and assets recognised by the Company and movement thereon during the current year and prior reporting year:

Deferred tax assets

Particulars	As at March 31, 2024	Charge/(credit) to Statement of Profit and Loss	As at March 31, 2025
Property, plant and equipment	14	-31	-17
Disallowance under 43B of Income Tax Act,1961	34	-1	33
Net Deferred tax assets	48	-32	16

Particulars	As at March 31, 2023	Charge/(credit) to Statement of Profit and Loss	As at March 31, 2024
Property, plant and equipment	4	10	14
Disallowance under 43B of Income Tax Act,1961	25	9	34
Net Deferred tax assets	29	19	48

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Notes forming part of financial statements

24 Commitments
There are no commitments on capital account.

25 Contingent Liability

a)Disputed Income tax demand - Rs.1.04 Crores

The Income tax department had raised a demand on the company arising out of the Transfer pricing adjustment for the financial year 2020-21 for Rs.1.04 Crores. The said order is being contested before the First Appellate authorities. The Company's management is advised that have a fair chance of winning the appeal. Hence no Provision is made in the books.

26 Income tax appeal

The Company has received a demand for the FY 2021-22 (AY 2022-23) arising out of TP adjustment amounting to Rs.1.45 Crores. The Company has filed an appeal against this order. However the Company has made a provision in the books for the demand on a conservative basis. As the amount is already provided for , the same is not shown as part of the contingent liability

27 Refund of ITC - GST

The company had applied for refund of GST Input tax credit as under:-
FY 2018-19 Rs. 84,71,340/-
FY 2019-20 Rs. 74,78,809/-

The said refunds have been rejected by the department. The company had filed the first appeal against this rejection which was not allowed by the appellate authority. The company will be filing the second appeal before the recently formed GST Appellate Tribunal. As the filing process is yet to be formalised by the Government, the 2nd appeal is pending. However the same would be filed once the same is allowed by the system.

28 Financial instruments
The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 is as follows:

(Rs. In Lakhs)

Particulars		**Carrying Value**		**Fair Value**	
Financial assets	**Note No.**	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2025**	**As at March 31, 2024**
Amortised Cost					
Security Deposits (Rental deposit)	4	-	63	67	63
Trade receivable	7	2	199	2	199
Cash and cash equivalents	8	121	271	121	271
FVTPL					
Investment in Mutual Fund (quoted)	6	170	101	170	101
Total Assets		**293**	**634**	**360**	**634**
Financial liabilities					
Amortised Cost					
Trade payables	14	48	60	48	60
Other financial liabilities - Lease Rent	12 & 13	199	425	199	425
FVTPL					
Forward Contracts	10	-	-	-	-
Total Liabilities		**247**	**485**	**247**	**485**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, inter corporate deposits and other current 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 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.

2. The fair values of the unquoted equity and preference shares 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 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, 2025, 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 recognised at fair value.

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).

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, 2025 and March 31, 2024.

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

(Rs. In Lakhs)

Particulars	**Fair value as at**		**Fair value hierarchy**	**Valuation technique and Key inputs**
	As at March 31, 2025	**As at March 31, 2024**		
Investment in Mutual funds	170	101	Level 1	Fair value is determined based on the Net asset value published by respective funds.
Foreign currency forward contracts	-	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the reporting date.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

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.

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 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 and agrees policies for managing each of these risks, which are summarized below:

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 is 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.

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Notes forming part of financial statements

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers (excluding Inter-company):

(Rs. In Lakhs)

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from top customer	4,706	8,581

One customer accounts for 100% of the Revenue & Receivable of the company, for 31st March 2025 & 31st March 2024

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.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. 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:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	121	271
Investments in mutual funds (quoted)	170	101
Trade receivables	2	199
Other current assets	510	458

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 and March 31, 2024:

Particulars	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Trade payables	48	-	-
Lease liabilities	199		-
Other Financial liabilities	-	-	-

Particulars	As at March 31, 2024		
	Less than 1 year	1-2 years	2 years & above
Trade payables	60	-	-
Lease liabilities	258	207	
Other Financial liabilities		-	-

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Notes forming part of financial statements
iii) Market risk

Foreign Currency 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.

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.

(USD in Lakhs)

Exposure currency	USD	Other Currencies
As at March 31, 2025		
Assets		
Trade receivables	-	-
Liabilities	-	-
Trade Payable	-	-
Other financial liabilities	-	-
Net assets/liabilities	**-**	**-**

(USD in Lakhs)

Exposure currency	USD	Other Currencies
As at March 31, 2024		
Assets		
Trade receivables	2	-
Net assets/liabilities	**2**	**-**

The details in respect of the outstanding foreign exchange forward contracts are given under the derivative financial instruments section.

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.

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:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	1.00	1.00
As percentage of total capital	100%	100%
Current borrowings	-	-
Total lease liabilities	199.00	425.00
As a percentage of total capital	99.50%	99.77%
Total capital (borrowings and equity)	**200.00**	**426.00**

ENCORE I.T. SERVICES SOLUTIONS PVT LTD
Notes forming part of financial statements

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.

32 Employee benefit plans

i) Defined contribution plans

a) Provident fund

Eligible employees of Encore IT Services Solutions P Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company is making payment of both the employee contribution and the employer contribution as per the PF Scheme under EPF and EPS schemes on a monthly basis.

Provident fund contributions amounting to ₹42.65 lakhs 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:

(Rs. In Lakhs)

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Employee's State Insurance (as part of Staff welfare expenses in Note 19 Employee benefits expense)	-	-
Superannuation (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense)	-	-
National Pension Scheme (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense)	-	-
National Insurance Contribution (as part of Contribution to Provident Fund and other Funds in Note 19 Employee benefits expense)	-	-

ii) Defined benefit plans - Gratuity

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

Particulars	**March 31, 2025**	**March 31, 2024**
Discount rate(s)	-	7.20%
Expected rate(s) of salary increase	-	5.00%
Mortality Rate	-	Indian Assured Lives Mortality 2012-14 (Urban)

(Rs. In Lakhs)

Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Service Cost:		
Current Service Cost	-	38
Net Interest Expense	-	4
Components of defined benefit costs recognised in profit or loss	**-**	
	-	
Remeasurement on the net defined benefit liability:	-	
Return on plan assets (excluding amounts included in net interest expense)	-	6
Actuarial (gains) / losses arising from changes in financial assumptions	-	40
Actuarial (gains) / losses arising from experience adjustments	-	
Actuarial (gains) / losses arising from Demographic adjustments	-	
Components of defined benefit costs recognised in other comprehensive income	**-**	**46**

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in other comprehensive income.

ENCORE I.T. SERVICES SOLUTIONS PVT LTD
Notes forming part of financial statements

(Rs. In Lakhs)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	-	273
Fair value of plan assets	-	246
Net (liability) / Assets arising from defined benefit obligation	**-**	**27**
Movements in the present value of the defined benefit obligation are as follows.		
Opening defined benefit obligation	-	198
Current service cost	-	38
Interest cost	-	15
Remeasurement (gains)/losses:	-	
Actuarial gains and losses arising from changes in financial assumptions	-	4
Actuarial gains and losses arising from experience adjustments	-	36
Actuarial (gains) / losses arising from Demographic adjustments	-	
Benefits paid	-	-19
Closing defined benefit obligation	**-**	**273**
	-	
Movements in the fair value of the plan assets are as follows.	-	
Opening fair value of plan assets	-	141
Interest income	-	11
Return on plan assets (excluding amounts included in net interest expense)	-	-6
Contributions from the employer	-	119
Benefits paid	-	-19
Closing fair value of plan assets	**-**	**246**

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

Particulars		
Insurer Managed Funds		
Category of funds :		
Secure Fund	-	100.00%
Defensive Fund		
Balanced Fund		
Stable Fund		

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

ENCORE I.T. SERVICES SOLUTIONS PVT LTD
Notes forming part of financial statements

(Rs. In Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	-17	19
Future salary growth (1% movement)	-	-	19	-17

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 (Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	-	273	198	153	NA
Fair value of plan assets	-	246	141	146	NA
Surplus / (deficit)	-	-27	-57	-6	NA
Experience adjustments on plan liabilities - (gain)/losses	-	36	-6	32	NA
Experience adjustments on plan assets - (losses)/gain	-	-6	10	-	NA

Maturity profile of defined benefit obligation:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	-	29
1-2 years	-	26
2-3 years	-	27
3-4 years	-	27
4-5 years	-	27
5 years and Above	-	357

The Company 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.

During the Year the Company's entire employees on roles as on 30th September 2024 has been transferred to its holding company M/s. Sonata Software Limited in pursuance of the ongoing Amalgamation proposal which is pending approval as on 31st March 2025

Hence there is no gratuity or leave encashment liability as on 31st March 2025

33 Segment reporting

The Company is engaged in the providing Information Technology Services and Solutions outside India which constitutes a single business segment. The Company's operations in India 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.

ENCORE I.T. SERVICES SOLUTIONS PVT LTD
Notes forming part of financial statements

34 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities
a) Gross amount required to spent during the year is 16.12 lakhs (Previous year NIL)
b) Amount spent during the year

(Rs. In Lakhs)

Particulars	In cash	Yet to be paid in cash	Year ended March 31, 2025	Year ended March 31, 2024
Construction / acquisition of any asset	-	-	-	-
Other than the above	17	-	-	-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent by the company during the year	12	8
Amount of expenditure incurred	17	8
shortfall at the end of the year	-	
Total of Previous years shortfall	-	-
Reasons for shortfall	-	-
Excess over the required amount	-5	-0
Details of related party transactions	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-

Promoting Education

Amount spent during the year is 16.8 lakhs (Previous year is Nil)

35 Earnings Per Share

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below: **(Amount in Rs.)**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax attributable to equity shareholders (a)	39,200,000	109,730,446
Weighted average number of equity shares outstanding during the year for basic EPS (b)	999	999
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	999	999
Basic earning per share (a/b)	39,239	109,840
Diluted earning per share (a/c)	39,239	109,840

36 Distributions made and proposed :

Final dividend of Rs.5 crores has been distributed to the shareholder during the year as authorised by the Members of the company
There is no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

37 The table below provides details regarding ratios

Financial Ratios	March 31, 2025	March 31, 2024	% change	Reason for variance exceeding 25% as compared to the preceding year
Current ratio	3	2	82%	Decreased due to reduction in Trade receivable
Debt-equity ratio**	0	0	-48%	Decreased on account of lease liability payout
Debt service coverage ratio**	6	19	-70%	
Return on equity ratio	0	1	-62%	Decrease due to fall in turnover and PAT
Trade receivable turnover ratio	47	86	-46%	Decreased due to reduction in Trade receivable
Trade payable turnover ratio	9	14	-35%	
Net capital turnover ratio	6	14	-57%	Decrease due to fall in turnover and PAT
Net profit ratio	0	0	-35%	Increased on account of increase in PAT during the year
Return on capital employed	1	3	-58%	Decrease due to fall in turnover and PAT
Return on investment	0	0	73%	Increased on account of gain from mutual fund investments during the year

**Companies act suggesting that Lease liability to be included in the definition of "Debt".

38 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:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
	Buildings	**Buildings**
Balance at the beginning	456	683
Reclassified on account of adoption of Ind AS 116		
Additions	-	
Deletion	-	-
Depreciation for the year	-228	-228
Balance at the end of the year	**228**	**456**

Incremental borrowing rate used for discounting of lease liabilities is 9.70 % based on the lease term.
The following is the movement in lease liabilities: (Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning	441	641
Additions		
Finance cost accrued during the year	32	52
Payment of lease liabilities	-258	-252
Balance at the end of the year	**215**	**441**

ENCORE I.T. SERVICES SOLUTIONS PVT LTD

Notes forming part of financial statements

The following is the break-up of lease liabilities based on their maturities: **(Rs. In Lakhs)**

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Current lease liabilities	199	226
Non-current lease liabilities*	-	199
Total	**199**	**425**

*** As the present lease is expiring in the next one year , the entire liability is shown under Current lease**

Contractual maturities of lease liabilities **(Rs. In Lakhs)**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Not later than one year	207	258
Later than one year and not later than 5 years		249
Later than 5 years	-	-
Total	**207**	**507**

The Company had total cash outflow of ₹ 257 lakhs during the year ended March 31, 2025 (March 31, 2024 - ₹ 252 lakhs) for leases recognized in balance sheet.
The Company has made a non-cash addition to lease liabilities is Nil during the year ended March 31, 2025 (March 31, 2024 - Nil).

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

(Rs. In Lakhs)

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Finance cost on lease liabilities during the year	32	52
Depriciation on ROU assets	228	228
Rent expense pertaining to short-term lease	-	-
Total	**259**	**280**

39 A Scheme of amalgamation has been filed with NCLT chennai and mumbai with amalgamation of Encore IT services solution Pvt. Ltd. with Sonata Software Ltd(SSL) (which is 100% holding company of Encore India) with effect from appointed date and consequent dissolution of Encore India withhout being wound up. The Approval has not been accorded as on 31-3-2025. However, in the meantime the employees of M/s Encore India has been transferred to the rolls of SSL with effect from 01-10-2024. The entire salary expenses with effect from that date is accounted in SSL. The company is following cost plus method for billing to its customer outside India. As the salary expendture is NIL w.e.f. 1-10-2024 the billing value/Sales has also come down as a consequence of transfer of employees in anticipation of the Merger.

ENCORE I.T. SERVICES SOLUTIONS PVT LTD
Notes forming part of financial statements

40. Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
a) Holding Company	: Sonata Software Limited
(b) Fellow subsidiaries	: Encore Software Services Inc. USA*
	: Sonata Software North America Inc.
	: Sonata Information Technology Limited, India
(c) Key Management Personnel (KMP)	: Mr Kandasamy Sankaran-Since Retired
(d) Directors	: Mr. Arunkumar Kalyanaraman
	: Mr. Hemant Kumar Bhardwaj
	: Mr. Hassan Prakash Suresh

ii) Transactions with related parties : (Rs. In Lakhs)

Particulars	Holding Company		Fellow subsidiaries		KMP	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Rendering of services						
Encore Software Services Inc.*	-	-	4,246	8,581	-	-
Sonata Software North America Inc.			460			
Reimbursement of expenses paid						
Encore Software Services Inc.*	-	-		1,072	-	-
Sonata Information Technology Limited	-	-	67	69	-	-
Compensation of key management personnel of the Company						
Remuneration and Ex - Gratia	-	-	-	-	15	42
Ex-gratia	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-
Payable to KMP- exgratia payable	-	-	-	-	-	19
Dividend paid						
Sonata Software Limited	500	1,100	-	-	-	-
Balances outstanding at the end of the year						
Sonata software north america Inc			0			
Sonata software limited-			6			
Trade Receivable						
Encore Software Services Inc.	-	-	2	-	-	-
Payable to key management personnel of the Company	-	-	-	-	-	4

* This company has been merged with Sonata Software North America Inc. USA since September 2024
No remunertion has been paid to directors other than to Mr Kandaswamy Sankaran

For and on behalf of the Board of Directors

For ESSVEEYAR
CHARTERED ACCOUNTANTS
F.R.N:000808S

Place : Chennai
Date: 05 May 2025

Arunkumar Kalyanaraman
Director
DIN:10856475

Suresh HP
Director
DIN: 10124549

K.Sekar
PARTNER
Membership No. 028562

Gapbuster Worldwide Pty Limited
Balance Sheet as at March 31, 2025

			AUD
		As at March 31, 2025	**As at March 31, 2024**
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	**3**	142,751	261,164
Right-of-use assets	**3**	262,725	-
Other non-current assets	**4**	64,387	64,387
Deferred tax assets (net)	**5**	252,100	252,100
Total non-current assets		**721,963**	**577,651**
CURRENT ASSETS			
Financial assets			
Trade receivables	**6**	1,098,646	2,608,749
Cash and cash equivalents	**7**	1,248,063	285,701
Other financial assets	**8**	5,416,098	2,957,694
Other current assets	**9**	148,891	163,635
Total current assets		**7,911,698**	**6,015,779**
TOTAL		**8,633,661**	**6,593,430**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	**10**	6,921,883	6,921,883
Other equity	**11**	(3,896,144)	(5,992,956)
Total Equity		**3,025,739**	**928,927**
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities			
Lease liabilities	**12**	271,527	-
Trade payables	**13**	1,036,042	814,175
Borrowings	**14**	-	1,247,461
Other financial liabilities	**15**	1,641,144	2,232,756
Provisions	**16**	851,752	998,318
Current tax liabilities (net)		1,807,457	371,793
Total Current liabilities		**5,607,922**	**5,664,503**
TOTAL		**8,633,661**	**6,593,430**

Gapbuster Worldwide Pty Limited

Statement of Profit and Loss for the year ended March 31, 2025

			AUD
		For the year ended March 31, 2025	**For the year ended March 31, 2024**
REVENUE			
Revenue from operations	**17.1**	11,743,846	8,423,403
Other income	**17.2**	2,311	-
Total revenue		**11,746,157**	**8,423,403**
EXPENSES			
Employee benefit expenses	**18**	4,538,995	4,401,305
Finance costs	**19**	65,535	117,874
Depreciation and amortization expense		273,975	115,247
Other expenses	**20**	3,861,847	3,852,928
Total expenses		**8,740,352**	**8,487,354**
Profit before tax		**3,005,805**	**(63,951)**
Tax expense		908,992	(16,088)
Profit after tax		**2,096,813**	**(47,863)**

Gapbuster Worldwide Pty Limited

Cash Flow Statement for the period ended March 31, 2025

		AUD
	Year ended March 31, 2025	**Year ended March 31, 2024**
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	**3,005,805**	**(63,951)**
Adjustments for :		
Depreciation and amortization expense	273,975	115,247
Interets paid on ICD	42,680	100,808
Unrealised foreign exchange gain/loss	354,262	(183,532)
Allowance for bad & doubtful trade receivables	4,980	9,864
Operating Profit before working capital changes	**3,681,701**	**(21,564)**
Adjustments for :		
Decrease/(increase) in trade receivables	1,150,861	3,365,518
Decrease/(increase) in other financial assets	(2,456,570)	(1,991,198)
Decrease/(increase) in other current assets	14,744	(128,441)
(Decrease)/increase in trade payables	243,926	48,739
(Decrease)/increase in other financial liabilities and current tax liabilities	(963,405)	(618,381)
(Decrease)/increase in short-term provisions	(146,566)	(116,250)
Cash generated from operations	**1,524,692**	**538,423**
Direct taxes/advance tax paid (net)	-	(9,724)
Net cash from operating activities	**1,524,692**	**528,699**
Net cash from operating activities after exceptional items	**1,524,692**	**528,699**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and	(115,247)	(45,785)
Net cash flow from investing activities	**(115,247)**	**(45,785)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on leases	-	-
Payment on lease liabilities	-	-
Repayment of Inter corporate loan from subsidiary	(404,403)	(404,403)
Net cash from financing activities	**(447,083)**	**(505,211)**
Net increase/(decrease) in cash and cash equivalents	962,362	(22,297)
Opening cash and cash equivalents	285,701	307,998
Closing cash and cash equivalents	**1,248,063**	**285,701**
Balances with banks		
In Current accounts	1,248,063	285,701
Total	**1,248,063**	**285,701**

Gapbuster Worldwide Pty Limited

Notes forming part of the financial statements

Note 3: Property, Plant and Equipment and Right-of-use assets **AUD**

Tangible Assets				
Particulars	**Plant and Equipments**	**Leasehold improvements**	**Total Tangible Assets**	**ROU**
As at 1st April , 2023	633,206	-	**633,206**	-
Additions	45,785	-	**45,785**	-
Disposals/Write off	-	-	**-**	-
As at March 31, 2024	**678,991**	**-**	**678,991**	**-**

Depreciation/ Amortization				
As at 1st April , 2023	302,580	-	302,580	-
Charge for the Year	115,247	-	115,247	-
As at March 31, 2024	**417,827**	**-**	**417,827**	**-**

Net Block:				
As at 1st April , 2023	**330,626**	**-**	**330,626**	**-**
As at March 31, 2024	**261,164**	**-**	**261,164**	**-**

Particulars	**Plant and Equipments**	**Leasehold improvements**	**Total Tangible Assets**	**ROU**
As at 1st April , 2024	678,991	-	678,991	-
Additions	-	-	**-**	375,321
Disposals/Write off	-	-	**-**	-
As at March 31, 2025	**678,991**	**-**	**678,991**	**375,321**

Depreciation/ Amortization				
As at 1st April , 2024	417,827	-	417,827	-
Charge for the Year	118,413	-	118,413	112,596
As at March 31, 2025	**536,240**	**-**	**536,240**	**112,596**

Net Block:				
As at 1st April , 2024	**261,164**	**-**	**261,164**	**-**
As at March 31, 2025	**142,751**	**-**	**142,751**	**262,725**

	As at March 31, 2025	As at March 31, 2024
		AUD
4 : Other non-current assets		
Rent Deposit	64,387	64,387
	64,387	**64,387**
5 : Deferred tax assets (net)		
Deferred tax assets (net)	252,100	252,100
	252,100	**252,100**
6 : Trade receivables		
Unsecured		
Considered good	1,098,646	2,608,749
Considered doubtful	82,480	78,027
	1,181,126	2,686,776
Less : Provision for doubtful trade receivables	82,480	78,027
Total	**1,098,646**	**2,608,749**
7 : Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In Current accounts	1,248,063	285,701
Total	**1,248,063**	**285,701**
8 : Other financial assets		
Loans and advances to related parties - Advances recoverable	5,416,098	2,957,694
	5,416,098	**2,957,694**
9 : Other current assets		
GST & VAT credit receivable	77,302	97,365
Advance to suppliers	5,129	4,879
Prepayment	66,460	61,391
Total	**148,891**	**163,635**
10 : Equity Share capital		
Issued, Subscribed and paid-up		
Share capital	6,921,883	6,921,883
Total	**6,921,883**	**6,921,883**
11 : Other equity		
Securities premium		
Surplus in Statement of Profit and Loss		
Opening balance	(5,992,957)	(5,945,093)
Profit/(loss) for the year	2,096,813	(47,863)
Total	**(3,896,144)**	**(5,992,956)**
12 : Lease liabilities		
Lease liabilities	271,527	-
Total	**271,527**	**-**
13 : Trade payables		
Trade payables - other than acceptances	1,036,042	814,175
Total	**1,036,042**	**814,175**
14 : Borrowings		
Inter corporate loan payable	-	1,247,461
Total	**-**	**1,247,461**
15 : Other financial liabilities		
Income received in advance (Unearned revenue)	607,483	1,095,499
Interest accrued on Inter-corporate deposits	295,193	252,513
Statutory remittances	119,693	207,164
Advances from customers	3,259	4,915
Reimbursable Expenses payable to related party	60,023	38,105
Provision for expenses, Salary payable & others	555,493	634,560
Total	**1,641,144**	**2,232,756**
16 : Provisions		
Provision for compensated absences	851,752	998,318
Total	**851,752**	**998,318**

Gapbuster Worldwide Pty Limited
Notes forming part of the financial statements

	For the year ended March 31, 2025 (AUD)	For the year ended March 31, 2024 (AUD)
17.1 : Revenue from operations		
Revenue from software services	9,775,339	8,317,446
Service charges (interco cost allocation)	1,968,507	105,957
Total	**11,743,846**	**8,423,403**
17.2 : Other income		
Interest income	1,081	-
Miscellaneous income	1,230	-
Total	**2,311**	**-**
18 : Employee benefit expenses		
Salaries, wages, bonus and allowances	4,509,887	4,351,844
Staff welfare expenses	29,108	49,461
Total	**4,538,995**	**4,401,305**
19 : Finance costs		
Lease rental discounted	22,855	17,066
Interest on ICD	42,680	100,808
Total	**65,535**	**117,874**
20 : Other expenses		
Power and fuel	9,610	8,567
Rent	-	154,904
Repairs and maintenance - Machinery	178,104	176,358
Insurance	9,475	11,451
Rates and taxes	18,492	-
Communication cost	90,922	184,904
Facility maintenance	14,407	15,441
Travelling and conveyance expenses	87,634	51,228
Shoppers Fees & Call centre cost	2,636,094	2,849,092
Profesional Fees	76,308	45,152
Legal fees	-	4,800
Insourcing professional fees	246,569	339,533
Recruitment	25,980	50,441
Net loss on foreign currency transaction and translation	410,344	(125,902)
Provision for doubtful trade receivables	4,980	9,864
Miscellaneous expenses	52,928	77,095
Total	**3,861,847**	**3,852,928**

Sonata Software Malaysia SDN BHD.
Balance Sheet

	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	504,239	228,547
Capital work-in-progress		-	-
Investments	4.1		
Other financial assets		-	-
Income tax assets		123,467	-
Total non-current assets		**627,706**	**228,547**
CURRENT ASSETS			
Financial assets	4		
Trade receivables	4.1	486,484	394,079
Cash and cash equivalents	4.2	441,126	1,257,774
Other financial assets	4.3	194,731	191,641
Other current assets	5	222,086	169,499
Total current assets		**1,344,427**	**2,012,993**
Total assets		**1,972,133**	**2,241,540**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	6	500,000	500,000
Other equity	7	943,339	580,579
Total Equity		**1,443,339**	**1,080,579**
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities	8		
Trade payables	8.1	75,603	327,585
Other financial liabilities	8.2	46,069	697,330
Other current liabilities	9	166,100	93,158
Provisions	10	118,648	42,888
Current tax liabilities	11	122,374	-
Total current liabilities		**528,794**	**1,160,961**
Total equity and liabilities		**1,972,133**	**2,241,540**

Sonata Software Malaysia SDN BHD.
Statement of Profit and Loss

	Note No.	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	MYR For the year ended March 31, 2025	MYR For the period June 13, 2023 to March 31, 2024
REVENUE						
Revenue from operations	**12**	1,181,092	1,917,028	3,013,089	8,020,139	3,833,302
Total revenue		**1,181,092**	**1,917,028**	**3,013,089**	**8,020,139**	**3,833,302**
EXPENSES						
Employee benefit expenses	**13**	1,201,531	1,739,655	1,111,758	5,413,263	1,753,794
Finance costs	**14**	122	267	190	1,898	190
Depreciation and amortization expense	**3**	30,263	32,830	30,642	102,139	39,852
Other expenses	**15**	363,695	263,597	1,204,161	1,887,705	1,458,887
Total expenses		**1,595,611**	**2,036,349**	**2,346,751**	**7,405,005**	**3,252,723**
Profit before tax		(414,519)	(119,321)	666,338	615,134	580,579
Current tax expense		-	-	-	252,374	-
Deferred Tax Expense		-	-	-	-	-
Net tax expense		**-**	**-**	**-**	**252,374**	**-**
Profit after tax		**(414,519)**	**(119,321)**	**666,338**	**362,760**	**580,579**

Sonata Software Malaysia SDN BHD.
Cash Flow Statement

	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the period ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	**(414,519)**	**(119,321)**	**666,338**	**615,134**	**580,579**
Adjustments for :					
Depreciation and amortization expense	30,263	32,830	30,642	102,139	39,852
Finance costs	122	-	190	1,898	
Operating Profit before working capital changes	(384,134)	(86,491)	697,170	719,171	620,431
Adjustments for :					
Decrease/(increase) in trade receivables	969,338	377,604	(1,184,542)	(92,405)	(394,079)
Decrease/(increase) in other financial assets	-	-	(100)	(3,090)	
Decrease/(increase) in other current assets	(100,817)	(72,153)	(117,616)	(52,587)	(360,951)
(Decrease)/increase in trade payables	(30,152)	(81,742)	356,940	(251,982)	219,000
(Decrease)/increase in other financial liabilities	(16,447)	13,269	369,087	(651,261)	899,075
(Decrease)/increase in other current liabilities	(145,057)	193,372	22,248	72,942	-
(Decrease)/increase in short-term provisions	(12,651)	(11,688)	42,888	75,760	42,888
Cash generated from operations	**280,080**	**332,171**	**186,076**	**(183,452)**	**1,026,364**
Direct taxes/advance tax paid (net)	(130,000)	(123,467)	-	(253,467)	-
Net cash from operating activities	**150,080**	**208,703**	**186,076**	**(436,919)**	**1,026,364**
Net cash from operating activities after exceptional items	**150,080**	**208,703**	**186,076**	**(436,919)**	**1,026,364**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(5,436)	(60,489)	(194,712)	(377,831)	(268,591)
Net cash flow from investing activities	**(5,436)**	**(60,489)**	**(194,712)**	**(377,831)**	**(268,591)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital	-	-	-	-	500,000
Finance cost	(122)		(190)	(1,898)	-
Net cash from financing activities	**(122)**	**-**	**(190)**	**(1,898)**	**500,000**
Net increase/(decrease) in cash and cash equivalents	144,522	148,214	(8,827)	(816,648)	1,257,774
Opening cash and cash equivalents	296,604	148,390	1,266,601	1,257,774	-
Closing cash and cash equivalents	**441,126**	**296,604**	**1,257,774**	**441,126**	**1,257,774**
Cash and cash equivalents at the end of the year Comprises :					
Cash on hand	-	-	-	-	-
Balances with banks					
In Current accounts	441,126	296,604	1,257,774	441,126	1,257,774
In demand deposit accounts	-		-	-	-
Total	**441,126**	**296,604**	**1,257,774**	**441,126**	**1,257,774**

Sonata Software Malaysia SDN BHD.
Notes forming part of the financial statements

MYR

Tangible Assets					
Particulars	**Plant and Equipments**	**Leasehold improvements**	**Furniture & fixtures**	**Office Equipments**	**Total Tangible Assets**
As at 1st April , 2023	-	-	-	-	**-**
Additions	218,590	750	49,250	-	**268,590**
Disposals/Write off	-	-	-	-	**-**
As at March 31, 2024	**218,590**	**750**	**49,250**	**-**	**268,590**
As at 1st April, 2024	218,590	750	49,250	-	**268,590**
Additions	300,491	-	22,198	55,141	**377,830**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2025	**519,081**	**750**	**71,448**	**55,141**	**646,419**
Depreciation/ Amortization					
As at 1st April , 2023	-	-	-	-	-
Charge for the Year	39,730	20	292	-	40,042
Disposals/Write off	-	-	-	-	-
As at March 31, 2024	**39,730**	**20**	**292**	**-**	**40,042**
Depreciation/ Amortization					
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	-	-	-	-	-
As at Mar 31, 2025	**122,144**	**170**	**10,505**	**9,362**	**142,180**
Net Block:					
As at 1st April , 2023	**-**	**-**			**-**
As at March 31, 2024	**178,860**	**730**	**48,958**	**-**	**228,547**
As at Jun 30, 2024	**178,333**	**693**	**68,610**	**38,186**	**285,821**
As at Sep 30, 2024	**397,540**	**655**	**66,036**	**37,176**	**501,407**
As at Dec 31, 2024	**414,910**	**617**	**63,462**	**48,465**	**527,454**
As at Mar 31, 2025	**396,937**	**580**	**60,943**	**45,779**	**504,239**

Quant Cloud Solutions Private Limited
Notes forming part of financial statements

	As at March 31, 2025	As at March 31, 2024
4.1 : Trade receivables		
Unsecured		
Considered good	486,484	394,079
Considered doubtful	-	-
	486,484	394,079
Less : Provision for doubtful trade receivables	-	-
Total	**486,484**	**394,079**
4.2 : Cash and cash equivalents		
Balances with banks		
In Current accounts	441,126	1,257,774
Total	**441,126**	**1,257,774**
4.3 : Other financial assets		
Security deposits	194,731	191,641
Interest accrued on term deposits	-	-
Total	**194,731**	**191,641**
5 : Other current assets		
Prepaid expenses	109,730	-
Balances with government authorities		
Sales and Service Tax input	1,203	1,203
Advance to suppliers	-	166,273
Staff Advances	106,435	
Other Recoverables	4,718	2023
Total	**222,086**	**169,499**
6 : Equity Share capital		
Issued, Subscribed and paid-up		
Share capital - 500,000 of MYR 1 each	500,000	500,000
Total	**500,000**	**500,000**
7 : Other equity		
Retained earnings		
Opening balance	580,579	-
Profit for the period	362,760	580,579
Closing balance	**943,339**	**580,579**
8.1 : Trade payables		
Trade payables - other than acceptances	75,603	327,585
Total	**75,603**	**327,585**
8.2 : Other financial liabilities		
Reimbursable Expenses payable to related party	46,069	697,330
Total	**46,069**	**697,330**
9 : Other current liabilities		
Statutory remittances	166,100	93,158
Total	**166,100**	**93,158**
10 : Provisions		
Provision for compensated absences	118,648	42,888
Total	**118,648**	**42,888**
11 : Current tax liabilities		
Provision for tax	122,374	-
Total	**122,374**	**-**

Sonata Software Malaysia SDN BHD.
Notes forming part of financial statements

	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the year ended March 31, 2025
12 : Revenue from operations				
Revenue from software services	1,181,092	1,917,028	3,013,089	8,020,139
Total	**1,181,092**	**1,917,028**	**3,013,089**	**8,020,139**
13 : Employee benefit expenses				
Salaries, wages, bonus and allowances	1,101,948	1,549,313	989,008	4,861,826
Contribution	92,253	152,283	111,135	480,631
Staff welfare expenses	7,330	38,059	11,615	70,806
Total	**1,201,531**	**1,739,655**	**1,111,758**	**5,413,263**
14:Finance costs				
Interest expense				
Others	122	267	190	1,898
Total	**122**	**267**	**190**	**1,898**
15 : Other expenses				
Power and fuel	1,875	3,544	-	10,682
Rent	155,649	155,649	155,649	623,136
Repairs and maintenance - Machinery	-	12,335	8,232	26,195
Rates and taxes	-	443	21,813	28,740
Communication cost	1,645	-	-	9,247
Facility maintenance	53,922	41,325	21,338	193,056
Travelling and conveyance expenses	4,271	17,906	20,239	39,146
Legal Fees	-	-	10,211	-
Net gain on foreign currency transaction and translation	71,197	(73,258)	52,946	163,640
Professional and technical fees	17,725	30,921	68,724	184,836
Insourcing professional fees	39,328	61,688	427,851	427,721
Miscellaneous expenses	18,083	13,044	417,158	181,306
Total	**363,695**	**263,597**	**1,204,161**	**1,887,705**

Sonata Software Canada Limited
Balance Sheet as at March 31, 2025

Amounts in CAD

	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	76,939	100,016
Right of use assets		108,600	-
Other non-current financial assets	6	-	17,655
Total non-current assets		**185,539**	**117,671**
CURRENT ASSETS			
Financial assets			
Investments		-	300,000
Trade receivables	7	12,644	34,545
Cash and cash equivalents	8	158,094	213,803
Other financial assets	6	17,656	2,792
Other current assets	9	13,911	51,809
Total current assets		**202,305**	**602,949**
Total assets		**387,844**	**720,620**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,000	1,000
Other equity	10	203,020	248,554
Total Equity		**204,020**	**249,554**
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	11	61,329	-
Total non-current liabilities		**61,329**	**-**
CURRENT LIABILITIES			
Lease libilities		58,173	-
Financial liabilities			
Trade payables		34,966	407,499
Other current liabilities	13	29,356	20,018
Current tax liabilities(net)		-	43,549
Total current liabilities		**122,495**	**471,066**
Total equity and liabilities		**387,844**	**720,620**

Sonata Software Canada Limited

Statement of Profit and Loss for the quarter and year ended March 31, 2025

Amounts in CAD

	Note No.	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME						
Revenue from operations	**14**	158,795	196,834	125,507	695,353	1,237,689
Other Income	**14.1**	171	208	4,617	1,701	6,966
Total revenue		**158,966**	**197,042**	**130,124**	**697,054**	**1,244,655**
EXPENSES						
Employee benefit expenses	**15**	-	-	(3,405)	205	1,185
Finance costs		842	932	-	3,908	-
Depreciation and amortization expense	**3**	18,722	18,851	5,477	75,208	21,478
Other expenses	**17**	110,978	209,070	226,139	634,976	910,931
Total expenses		**130,542**	**228,853**	**228,211**	**714,297**	**933,594**
Profit before tax		**28,424**	**(31,811)**	**(98,087)**	**(17,243)**	**311,061**
Tax expense		9,590	(6,818)	43,549	14,672	43,549
Net tax expense		**9,590**	**(6,818)**	**43,549**	**14,672**	**43,549**
Profit after tax		**18,834**	**(24,993)**	**(141,636)**	**(31,915)**	**267,512**

Sonata Software Canada Limited
Notes forming part of the financial statements

3 : Property, plant and equipment **Amounts in CAD**

	Tangible Assets				
Particulars	**Office Equipments**	**Leasehold Improvements**	**Furniture and Fixtures**	**Plant and Machinery**	**Total**
Cost					
As at April 1, 2023	**-**	**22,528**	**74,605**	**26,852**	**123,985**
Additions	5,740			1,570	**7,310**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2024	**5,740**	**22,529**	**74,605**	**28,422**	**131,295**
As at April 1, 2024	**5,740**	**22,532**	**74,605**	**28,422**	**131,299**
Additions	-	-	-	-	**-**
Disposals/Write off	-	-	-	-	**-**
As at Mar 31, 2025	**5,740**	**22,533**	**74,605**	**28,422**	**131,299**
Depreciation/ Amortization					
As at April 1, 2023		3,381	2,655	3,766	9,802
Charge for the period	809	4,504	10,651	5,514	**21,478**
Disposals/Write off					**-**
As at Mar 31, 2024	**809**	**7,885**	**13,306**	**9,280**	**31,281**
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					**-**
As at Mar 31, 2025	**3,036**	**12,389**	**23,957**	**14,978**	**54,360**
Net Block					
As at Mar 31, 2024	4,931	14,643	61,299	19,142	**100,016**
As at Mar 31, 2025	2,704	10,142	50,649	13,444	76,939

Sonata Software Canada Limited
Notes forming part of financial statements

	As at March 31, 2025	As at March 31, 2024
		Amounts in CAD
6 : Other financial assets		
Interest accrued on investments	-	2,792
Security deposits	17,656	
Total	**17,656**	**2,792**
6 : Other non-current financial assets		
Security deposits	-	17,656
	-	**17,656**
7 : Trade receivables		
Considered good	12,644	34,545
Considered doubtful	-	-
	12,644	34,545
Less : Provision for doubtful trade receivables	-	-
	12,644	34,545
Total	**12,644**	**34,545**
8 : Cash and cash equivalents		
Balances with banks		
In Current accounts	158,094	213,803
Total	**158,094**	**213,803**
9 : Other current assets		
Prepaid expenses	2,684	2,480
Other recoverables	11,227	10,815
GST Input		38,515
Total	**13,911**	**51,810**
Issued, Subscribed and paid-up		
500,250 shares of $1 each fully paid-up	1,000	1,000
(As at 31.03.2021, 500,250 shares of $1 each fully paid up)		
Total	**1,000**	**1,000**
10 : Other equity		
Securities premium		
Retained earnings		
Opening balance	248,554	(18,958)
Rent equalization reserve nullified on account of Ind AS 116	(13,619)	-
Profit for the year	(31,915)	267,512
Closing balance	**203,020**	**248,554**
Total	**203,020**	**248,554**
11 : Lease liabilities		
Lease libilities	61,329	-
Total	**61,329**	**-**
13 : Other current liabilities		
Reimbursable Expenses payable to related party	382	20,018
Statutory remittances	28,974	-
Total	**29,356**	**20,018**

Sonata Software Canada Limited
Notes forming part of financial statements

Amounts in CAD

	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
14 : Revenue from operations					
Revenue from software services	158,795	196,834	125,507	695,353	1,237,689
Total	**158,795**	**196,834**	**125,507**	**695,353**	**1,237,689**
14.1 : Other Income					
Interest income	171	208	4,617	1,701	6,966
	171	**208**	**4,617**	**1,701**	**6,966**
15 : Employee benefit expenses					
Salaries, wages, bonus and allowances	-	-	(3,429)	-	-
Staff welfare expenses	-	-	24	205	1,185
Total	**-**	**-**	**(3,405)**	**205**	**1,185**
16 : Finance costs					
Interest on right-of-use lease	842	932	-	3,908	-
Total	**842**	**932**	**-**	**3,908**	**-**
17 : Other expenses					
Rent	-	-	14,013	-	56,050
Repairs and maintenance - Machinery	54	-	-	133	-
Insurance	895	827	827	3,375	3,014
Rates and taxes	1,866	1,866	1,645	7,685	6,851
Communication cost	3,075	3,092	1,130	(7,500)	25,020
Facility maintenance	10,327	10,328	10,109	47,111	44,339
Travelling and conveyance expenses	-	-	315	422	967
Insourcing professional fees	7,280	50,960	66,560	106,080	106,080
Professional and technical fees	3,717	1,794	3,058	16,625	3,058
Software Project Fee	76,150	119,084	108,174	415,676	639,167
Net loss on foreign currency transaction and translation	3,927	17,575	16,764	29,640	9,887
Miscellaneous expenses	3,687	3,544	3,544	15,729	16,498
Total	**110,978**	**209,070**	**226,139**	**634,976**	**910,931**

Sonata Latin America S. de R.L. de C.V.
Balance Sheet as at 31st March, 2025

	Note No.	As at March 31, 2025	As at March 31, 2024
			Amounts in MXN
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	8,821,832	1,887,823
Right-of-use assets		2,265,339	-
Financial assets			
Other financial assets	4.1	178,087	-
Total non-current assets		**11,265,258**	**1,887,823**
CURRENT ASSETS			
Inventories			
Financial assets			
Trade receivables	6	13,434,429	1,084,438
Cash and cash equivalents	6.1	3,793,411	2,555,045
Other financial assets	6.3	22,381	456,164
Other current assets	7	3,163,003	953,327
Total current assets		**20,413,224**	**5,048,974**
Total assets		**31,678,482**	**6,936,797**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	8	1,000	1,000
Other equity	9	2,255,996	(5,958,041)
Total Equity		**2,256,996**	**(5,957,041)**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Lease libilities		247,578	
Total non-current liabilities		**247,578**	**-**
CURRENT LIABILITIES			
Financial liabilities			
Trade payables	13	2,305,604	1,090,670
Other Financial liabilities	14	17,985,237	9,803,681
Other current liabilities	15	3,184,237	1,341,761
Provisions	16	4,393,154	657,726
Current tax liabilities	17	1,305,675	-
Total current liabilities		**29,173,907**	**12,893,838**
Total equity and liabilities		**31,678,481**	**6,936,797**

Sonata Latin America S. de R.L. de C.V.

Statement of Profit and Loss for the quarter and the year ended March 31, 2025

Amounts in MXN

	Note No.	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE						
Revenue from operations	**18**	31,799,137	38,202,878	11,116,994	142,073,033	19,231,271
Total revenue		**31,799,137**	**38,202,878**	**11,116,994**	**142,073,033**	**19,231,271**
EXPENSES						
Employee benefit expenses	**19**	29,935,865	33,447,436	11,817,909	114,194,086	18,312,703
Finance costs	**20**	63,343	75,165	-	225,198	-
Depreciation and amortization expense	**3**	1,032,300	839,755	77,253	2,677,568	92,750
Other expenses	**21**	1,947,253	2,564,333	2,975,278	12,896,720	6,870,351
Total expenses		**32,978,761**	**36,926,689**	**14,870,440**	**129,993,572**	**25,275,804**
Profit before tax		(1,179,624)	1,276,189	(3,753,446)	12,079,461	(6,044,533)
Tax expense						
Current tax expense		(2,431,292)	2,701,852	-	3,865,429	-
Net tax expense		**(2,431,292)**	**2,701,852**	**-**	**3,865,429**	**-**
Profit for the year		**1,251,668**	**(1,425,663)**	**(3,753,446)**	**8,214,032**	**(6,044,533)**

Sonata Latin America S. de R.L. de C.V.
Cash Flow Statement for the year ended March 31, 2025

		Amounts in MXN
	For year ended March 31, 2025	**For year ended March 31, 2024**
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**12,079,461**	**(6,044,533)**
Adjustments for :		
Depreciation and amortization expense	2,677,568	92,750
Interest expense	225,198	-
Unrealized foreign exchange (gain) / loss	786,676	(252,005)
Operating Profit before working capital changes	15,768,903	(6,203,788)
Adjustments for :		
Decrease/(increase) in trade receivables	(11,366,309)	193,731
Decrease/(increase) in other current assets	(2,209,676)	(756,140)
Decrease/(increase) in other financial assets	433,783	(456,164)
Decrease/(increase) in other non-current financial assets	(178,087)	-
(Decrease)/increase in trade payables	(555,421)	(27,292)
(Decrease)/increase in other current liabilities	1,842,476	1,341,761
(Decrease)/increase in other financial liabilities	6,085,092	9,784,784
(Decrease)/increase in short-term provisions	3,735,428	657,726
Cash generated from operations	**13,556,189**	**4,534,618**
Direct taxes/advance tax paid (net)	(2,559,754)	-
Net cash from operating activities	**10,996,435**	**4,534,618**
Net cash from operating activities after exceptional items	**10,996,435**	**4,534,618**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP	(8,155,288)	(1,980,573)
Net cash flow from investing activities	**(8,155,288)**	**(1,980,573)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liability	(1,602,783)	
Proceeds from issue of Equity shares		1,000
Net cash from financing activities	**(1,602,783)**	**1,000**
Net increase/(decrease) in cash and cash equivalents	1,238,366	2,555,045
Opening cash and cash equivalents	2,555,045	-
Closing cash and cash equivalents	**3,793,411**	**2,555,045**
Balances with banks		
In Current accounts	3,793,411	2,555,045
In Deposit accounts	-	-
Total	**3,793,411**	**2,555,045**

Sonata Latin America S. de R.L.
Notes forming part of the financial statements

3 : Property, Plant and Equipment — **Amounts in MXN**

	Leasehold Improvements	Furniture and Fixtures	Plant and Equipments	Total Tangible Assets
Cost				
As at April 1, 2023				
Additions			1,980,573	**1,980,573**
Disposals/Write off	-	-	-	-
As at Mar 31, 2024	**-**	**-**	**1,980,573**	**1,980,573**
As at April 1, 2024	**-**	**-**	1,980,573	**1,980,573**
Additions	4,957,856	263,314	2,934,118	**8,155,288**
Disposals/Write off	-	-	-	-
As at Mar 31, 2025	**4,957,856**	**263,314**	**4,914,691**	**10,135,861**
Depreciation/ Amortization				
As at April 1, 2024			**92,750**	**92,750**
Charge for the period	433,614	22,161	765,504	**1,221,279**
Disposals/Write off	-	-	-	-
As at Mar 31, 2025	**433,614**	**22,161**	**858,253**	**1,314,029**
Net Block				
As at Mar 31, 2024	**-**	**-**	**1,887,823**	**1,887,823**
As at Mar 31, 2025	**4,524,242**	**241,153**	**4,056,437**	**8,821,832**

Sonata Latin America S. de R.L. de C.V.
Notes forming part of financial statements

Amounts in MXN

	As at March 31, 2025	As at March 31, 2024
4.1 : Other financial assets		
Security deposits	178,087	-
Total	**178,087**	**-**
6 : Trade receivables		
Unsecured		
Considered good	13,434,429	1,084,438
Considered doubtful	-	-
	13,434,429	1,084,438
Less : Provision for doubtful trade receivables	-	-
Total	**13,434,429**	**1,084,438**
6.1 : Cash and cash equivalents		
Balances with banks		
In Current accounts	3,793,411	2,555,045
Total	**3,793,411**	**2,555,045**
6.3 : Other financial assets		
Loans and advances to employees	22,381	456,164
Total	**22,381**	**456,164**
7 : Other current assets		
VAT input	3,083,450	953,327
Prepaid Expenses	79,553	-
Total	**3,163,003**	**953,327**
8 : Equity Share capital		
Issued, Subscribed and paid-up		
$1 par value 300,000 shares each fully paid-up	1,000	1,000
(March 31, 2022 $1 par value 300,000 shares each fully paid-up)		
Total	**1,000**	**1,000**
9 : Other equity		
Securities premium		
Surplus in Statement of Profit and Loss		
Opening balance	(5,958,036)	86,492
Profit for the year	8,214,032	(6,044,533)
Closing balance	**2,255,996**	**(5,958,041)**
Total	**2,255,996**	**(5,958,041)**
11 : Other non-current liabilities		
Lease Liabilities-Non Current	247,578	-
Total	**247,578**	**-**
13 : Trade payables		
Trade payables - other than acceptances	2,305,604	1,090,670
Total	**2,305,604**	**1,090,670**
14 : Other Financial liabilities		
Lease Laibilites	2,096,464	-
Reimbursable Expenses payable to related party	15,572,811	9,803,681
Provision for Incentive	315,962	-
	17,985,237	**9,803,681**
15 : Other current liabilities		
Statutory remittances	3,155,467	1,341,761
Others	28,770	-
Total	**3,184,237**	**1,341,761**
16 : Provisions		
Provision for employee benefits		
Provision for compensated absences	4,393,154	657,726
Total	**4,393,154**	**657,726**
17 : Current tax liabilities		
Provision for tax	1,305,675	-
Total	**1,305,675**	**-**

Sonata Latin America S. de R.L. de C.V.
Notes forming part of financial statements

Amounts in MXN

	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
18 : Revenue from operations					
Revenue from software services	31,799,137	38,202,878	11,116,994	142,073,033	19,231,271
Total	**31,799,137**	**38,202,878**	**11,116,994**	**142,073,033**	**19,231,271**
19 : Employee benefit expenses					
Salaries, wages, bonus and allowances	25,228,125	27,657,100	9,471,803	94,666,579	14,979,539
Contribution to 401K fund	4,107,947	4,964,639	2,005,040	17,188,437	2,919,118
Staff welfare expenses	599,793	825,697	341,066	2,339,070	414,046
Total	**29,935,865**	**33,447,436**	**11,817,909**	**114,194,086**	**18,312,703**
20:Finance costs					
Interest expense - unwinding rent deposit	63,343	75,165	-	225,198	-
Total	**63,343**	**75,165**	**-**	**225,198**	**-**
21 : Other expenses					
Power and fuel	120,000	120,000	-	360,000	-
Repairs and maintenance - Machinery	15,526	227,253	-	242,779	-
Insurance	9,206	-	-	9,206	-
Rates and taxes	-	-	31,206	34,204	33,089
Communication cost	151,036	141,513	-	322,023	-
Facility maintenance	420,740	152,646	-	726,032	-
Travelling and conveyance expenses	60,378	16,873	39,199	153,820	39,199
Professional and technical fees	943,017	1,189,637	640,877	4,257,048	1,962,132
Insourcing professional fees	(40,004)	-	760,908	-	3,255,407
Net loss on foreign currency transaction and translation	297,219	276,217	102,207	2,779,958	114,122
Recruitment	(53,285)	414,899	1,392,580	3,828,754	1,444,131
Miscellaneous expenses	23,420	25,295	8,301	182,896	22,271
Total	**1,947,253**	**2,564,333**	**2,975,278**	**12,896,720**	**6,870,351**

Sonata Software Intercontinental Limited

Balance Sheet as at March 31, 2025

Amounts in Euro

	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment		1,600	1,295
Financial assets			
Other financial assets	**1**	-	7,819
Deferred tax assets (net)	**2**	101,752	101,752
Other non-current assets	**3**	2,400	2,400
Total non-current assets		**105,752**	**113,266**
Current assets			
Financial assets			
Investments	**4**	-	19,425
Trade receivables	**4.1**	381,753	1,276,706
Cash and cash equivalents	**4.2**	78,949	146,580
Other current assets	**5**	54,757	41,683
Total current assets		**515,459**	**1,484,394**
Total assets		**621,211**	**1,597,660**
EQUITY AND LIABILITIES			
Equity			
Other equity	**6**	(899,772)	(57,390)
Total Equity		**(899,772)**	**(57,390)**
Current liabilities			
Financial liabilities			
Trade payables	**7**	1,369,797	1,478,505
Other current liabilities	**8**	60,937	130,734
Provisions	**9**	85,060	43,208
Current tax liabilities (net)	**10**	5,188	2,603
Total current liabilities		**1,520,982**	**1,655,050**
Total equity and liabilities		**621,210**	**1,597,660**

Sonata Software Intercontinental Limited

Statement of Profit and Loss for the quarter and year ended March 31, 2025

Amounts in Euro

	Note No.	For the quarter ending March 31, 2025	For the quarter ending Dec 30, 2024	For the quarter ending March 31, 2024	For the year ending March 31, 2025	For the year ending March 31, 2024
REVENUE						
Revenue from operations	**11**	316,751	(21,925)	273,700	888,915	1,382,476
Other income	**12**	-	-	202	678	202
Total income		**316,751**	**(21,925)**	**273,902**	**889,593**	**1,382,678**
EXPENSES						
Cost of goods sold	**13**	18,400	18,547	20,292	211,838	261,999
Employee benefit expenses	**14**	144,783	182,320	181,998	702,097	543,743
Depreciation and amortization expense		208	213	115	814	115
Other expenses	**15**	163,310	176,673	468,223	817,226	1,278,957
Total expenses		**326,701**	**377,753**	**670,628**	**1,731,975**	**2,084,814**
Profit before tax		**(9,950)**	**(399,678)**	**(396,726)**	**(842,382)**	**(702,136)**
Profit before tax		**(9,950)**	**(399,678)**	**(396,726)**	**(842,382)**	**(702,136)**
Tax expense						
Current tax expense		-	-	-	-	5,208
Deferred tax		104,054	(49,959)	(68,783)	-	(101,751)
Net tax expense		**104,054**	**(49,959)**	**(68,783)**	**-**	**(96,543)**
Profit for the period		**(114,004)**	**(349,719)**	**(327,943)**	**(842,382)**	**(605,593)**

Sonata Software Intercontinental Limited
Cash Flow Statement for the year ended March 31, 2025

Amounts in Euro

	For the year ending March 31, 2025	For the year ending March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**(842,382)**	**(396,726)**
Adjustments for :		
Depreciation and amortization expense	814	115
Impairment loss recognised on trade receivables and bad debts written off	10,299	-
Operating profit before working capital changes	**(831,269)**	**(396,611)**
Adjustments for :		
Decrease/(increase) in trade receivables	884,655	71,443
Decrease/(increase) in other financial assets and other current assets	(5,255)	7,413
(Decrease)/increase in trade payables	(108,708)	317,940
(Decrease)/increase in other current liabilities	(69,797)	(40,255)
(Decrease)/increase in provisions	41,852	10,263
Cash generated from operations:	**(88,521)**	**(29,807)**
Direct taxes/advance tax (paid)/refund (net)	2,585	(54,702)
Net cash flow from / (used in) operating activities	**(85,937)**	**(84,509)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,119)	(1,409)
Purchase of investments	-	(19,425)
Proceeds from sale of investments	19,425	-
Net cash flow from / (used in) investing activities	**18,306**	**(20,833)**
Net increase/(decrease) in Cash and cash equivalents	**(67,631)**	**(105,342)**
Opening Cash and cash equivalents	146,580	251,922
Closing Cash and cash equivalents	**78,949**	**146,580**
Cash and cash equivalents at the end of the period comprises:		
Balances with banks		
In Current accounts	78,949	146,580
	78,949	**146,580**

Sonata Software Intercontinental Limited

Notes forming part of financial statements

	As at March 31, 2025	As at March 31, 2024
		Amounts in Euro
1. Other financial assets		
Sundry creditors - Employees - Debit balance	-	7,819
Total	**-**	**7,819**
2. Deferred tax assets (net)		
Deferred tax assets (net)	101,752	101,752
Total	**101,752**	**101,752**
3. Other non-current assets		
Other deposits	2,400	2,400
Total	**2,400**	**2,400**
4. Investments		
Investment - Short term	-	19,425
Total	**-**	**19,425**
4.1. Trade receivables		
Unsecured		
Considered good	150,764	758,864
Considered doubtful	4,120	-
	154,884	758,864
Less : Allowances for credit losses	4,120	-
Unbilled	230,989	517,842
Total	**381,753**	**1,276,706**
4.2. Cash and cash equivalents		
Balances with banks		
In current accounts	78,949	146,580
Total	**78,949**	**146,580**
5. Other current assets		
Prepaid expenses	1,711	444
Vat Input recoverable	35,674	38,902
Other recoverables	17,372	2,337
Total	**54,757**	**41,683**
6. Other equity		
Opening balance	(57,390)	548,202
Profit for the period	(842,382)	(605,593)
Closing balance	**(899,772)**	**(57,391)**
7. Trade payables		
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	1,369,797	1,478,505
Total	**1,369,797**	**1,478,505**
8. Other current liabilities		
Statutory remittances	54,524	127,784
Others	6,413	2,950
Total	**60,937**	**130,734**
12. Provisions		
Provision for employee benefits - Compensated absences	59,637	43,208
Provision for Incentive	25,423	-
	85,060	**43,208**
10. Current tax liabilities (net)		
Provision for tax	5,188	2,603
Total	**5,188**	**2,603**

Sonata Software Intercontinental Limited

Notes forming part of financial statements

Amounts in Euro

	For the quarter ended March 31, 2025	For the quarter ended December 31, 2024	For the quarter ending March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
11. Revenue from operations					
Revenue from software services	274,260	(59,747)	250,642	571,860	1,033,585
Revenue from Licenses	42,491	37,822	23,059	317,055	348,891
Total	**316,751**	**(21,925)**	**273,701**	**888,915**	**1,382,476**
12. Other income					
Net gain on current investments	-	-	202	678	202
Total	**-**	**-**	**202**	**678**	**202**
13. Cost of goods sold					
Software cost	18,400	18,547	20,292	211,838	261,999
Total	**18,400**	**18,547**	**20,292**	**211,838**	**261,999**
14. Employee benefit expenses					
Salaries, wages, bonus and allowances	148,430	171,741	166,006	679,758	510,042
Staff Welfare	689	2,095	5,729	5,910	7,026
Leave Encashment	(4,336)	8,484	10,263	16,429	26,675
	144,783	**182,320**	**181,998**	**702,097**	**543,743**
15. Other expenses					
Commission on Sales	3,241	11,170	50,494	(13,432)	121,144
Rent	3,780	3,170	3,780	14,510	14,700
Insurance	148	148	142	593	527
Communication cost	210	880	314	1,835	1,758
Facility maintenance	249	268	358	744	1,135
Travelling and conveyance expenses	3,067	2,960	14,116	12,436	22,491
Professional and technical fees	5,450	8,916	210	35,878	3,942
Software Project fees	149,291	122,836	380,352	713,599	1,014,962
Insourcing professional fees	-	-	19,000	12,000	64,195
Bad trade receivables written off	2,760	-	-	10,299	-
Net gain on foreign currency transactions and translations	(6,352)	16,029	197	10,145	913
Miscellaneous expenses	1,466	10,296	(741)	18,619	33,190
Total	**163,310**	**176,673**	**468,223**	**817,226**	**1,278,957**