The Modernization Engineering Company

SONATA SOFTWARE

7th July, 2026

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Mumbai
Kind Attn: Manager, Listing Department
Stock Code - SONATSOFTW

BSE Limited
P.J. Towers, Dalal Street, Mumbai
Kind Attn: Manager, Listing Department
Stock Code - 532221

Dear Sirs/Madam,

Sub: Submission of Annual Report for the Financial Year 2025-26 along with Notice of the 31st Annual General Meeting ('AGM') of Sonata Software Limited (the 'Company')

This is in reference to the captioned subject and in continuation to our letter dated 7th July, 2026, wherein we had informed that the 31st AGM of the Company is scheduled to be held on Friday, 31st July, 2026 at 3:00 p.m. (IST) through Video Conferencing / Other Audio Visual Means.

In terms of Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") we hereby enclose the Annual Report for the Financial Year 2025-26 along with the Notice of the 31st AGM of the Company.

The said Annual Report and Notice are also being circulated through electronic mode to the Members whose email IDs are registered with the Company/Depositories/ Registrar and Share Transfer Agent ("RTA") of the Company i.e., Kfin Technologies Limited ("Kfin").

Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company will be sending a letter providing the weblink and QR code for accessing the Annual Report for FY 2025-26 to those shareholders who have not registered their email address with the Company/ Depositories/ RTA.

The said Annual Report and Notice are also available on the Company's website and can be accessed through the link: CLICK HERE

Kindly take the same on record.

Thanking you,

Yours faithfully
For **Sonata Software Limited**

Mangal Krishnarao Kulkarni
Digitally signed by Mangal Krishnarao Kulkarni
Date: 2026.07.07 19:05:28 +05'30'

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

SONATA

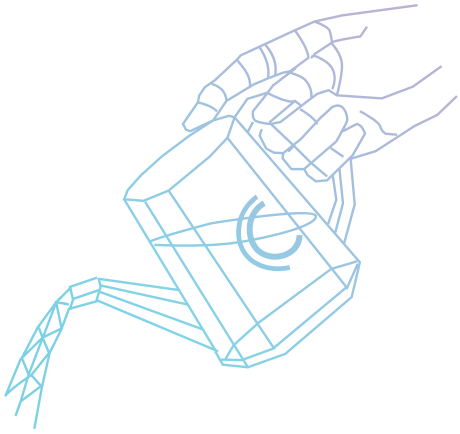
SONATA SOFTWARE

The Modernization Engineering Company

REIMAGINING GROWTH WITH AI



Annual Report 2025-26



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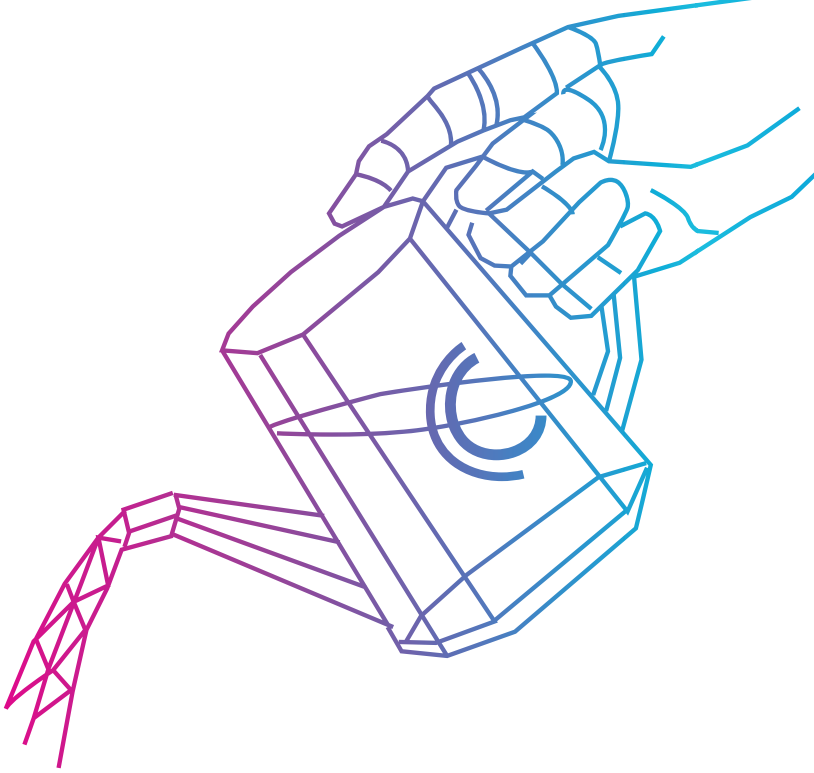
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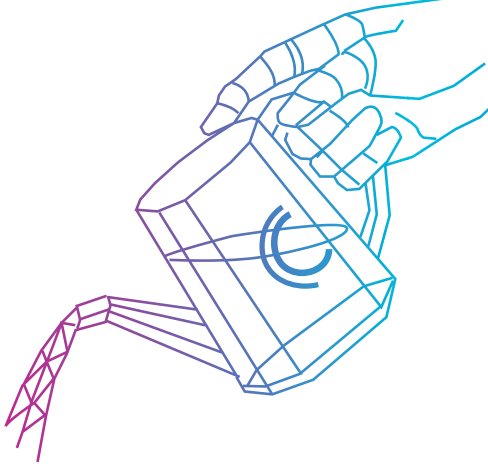
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MEET THE LEADERS

Sanjay K Asher
Chairperson,
Sonata Software Limited



Dear Shareholders,

It's an honour and pleasure to present the Annual Report for the fiscal year 2026, a period defined by Sonata Software's resilience and acceleration in the face of a rapidly evolving macro-economic conditions and digital landscape.

In the times where Artificial Intelligence (AI) is moving from experimentation to industrial-scale adoption, I am proud to report that our company is not only supporting our clients through their complex digital transformation journeys but has also delivered resilient operational performance, driven by its strategic bets across offerings, markets, and verticals.

As we navigate the "Next Era" of technology, we remain focused on executing with discipline, delivering sustainable growth, and ensuring long-term value creation for our shareholders.

Reimagining Growth and Innovation

Enterprises are witnessing a fundamental shift ie. from using technology as a mere tool for cost efficiency to viewing, it as a core engine for **commercial reinvention**. Organizations are moving beyond simple task automation—such as basic customer service or data entry—to embrace **augmented intelligence**, where human creativity and AI's analytical power synergize to create entirely new business models and revenue streams.

I take great pride in sharing that our unwavering commitment towards enhancing our AI-led solutions and investing in our human talent has strengthened our competitive edge with respect to enabling the world to reimagine growth and innovation without worrying about the constraints and challenges

AI-Led Transformation

Artificial Intelligence is at the core of our vision for the future. Over the past year, Sonata has accelerated its AI journey with a clear ambition: to embed intelligence across the organization and convert innovation into measurable business impact.

With platforms like Harmoni.AI, IntelliQA, and AgentBridge, combined with strong partnerships across Microsoft and AWS, Sonata is gearing up to be a force to be reckoned with.

This momentum is shaping the path toward Sonata.AI an enterprise where AI powers innovation, scalability, and sustained competitive advantage.

Our People: Dynamo behind Sonata

Sonatians-are the backbone of our success.

Our significant strides in training and development, powered by Sonata University, have ensured more than 90% of our workforce is AI-capable, ready to partner with our customers and internal stakeholders in their AI journey. Initiatives like Sonata Spark and Tech-Fest continue to nurture creativity and knowledge sharing among our teams.

Industry recognitions as employer of choice in different forums viz. Jombay WOW Workplace 2025, in IT and ITES category; Team Marksmen Most Preferred Workplace 2025-26 and ET Now Best Organizations to Work 2025 reaffirms our dedication to fostering a culture of growth, learning, and innovation.

Commitment to ESG and Sustainable Growth

Sonata remains deeply committed to its Environmental, Social, and Governance (ESG) charter. I am pleased to share that Sonata Software received Silver Medal from EcoVadis ESG Rating FY 26.

We will continue to operate responsibly, ensuring our business practices positively impact society and the environment while delivering sustainable growth for all stakeholders.

The Road Ahead

As enterprises worldwide strive to reimagine growth with AI, Sonata Software is uniquely positioned to be their partner of choice as an AI-first Modernization Engineering company helping enterprises transform from legacy systems to intelligent business platforms.

Our strong leadership team, having a culture of innovation and excellence, and a clear vision for the future, remains confident about the road ahead. On behalf of the Board, I extend my heartfelt appreciation to our clients, partners, and vendors for their continued trust and collaboration. Your support fuels our ambition, and we remain steadfast in our commitment to delivering exceptional outcomes.

Looking ahead to FY27 with optimism and confidence.

Sanjay K Asher
Chairperson,
Sonata Software Limited



Rajsekhar Datta Roy
Chief Executive Officer,
Sonata Software Limited



Dear Shareholders,

It's an honour and a moment of immense pride to have the privilege of writing to you for the first time as the Chief Executive Officer of Sonata Software, the very company where I started my career three decades ago as a Management Trainee. Your unwavering trust and support for Sonata, during its long and exciting journey, have been invaluable and I extend my deepest gratitude.

Given our size, focus on modernization, the progress we have made in building AI capability over the last twelve to eighteen months, and having the opportunity to work closely with clients, technology, and AI itself, my primary goal is to guide my team in successfully navigating the company toward the opportunities that AI brings.

FY 26 has been a year of resilience as we navigated headwinds from the market and a few key clients. We strengthened our operations structurally through technology driven optimization, which reflected in our growth and profit expansion.

The year also witnessed our Invest Verticals—Healthcare & Life Sciences (HLS) and Banking, Financial Services & Insurance (BFSI)—contributing 31% of our total revenue, a sharp rise from 9% in FY 22. This is a clear reflection of our strategic focus and disciplined execution.

AI now accounts for 18% of our order book. AI-led opportunities have scaled to represent 30% of the pipeline, highlighting strong adoption momentum. We are actively pursuing AI opportunities across 100+ clients, helping them unlock value through: 1) Operational efficiency gains 2) Time to market – through enhanced velocity and customer experience and 3) Transformation of business models.

We focused heavily on building our capabilities by deepening our collaborations with hyper-scalers like Microsoft and AWS. Besides remaining a proud member of the Microsoft Inner Circle and Partner AI Council, Sonata became one of the first companies to be recognized as a Microsoft Frontier Partner and received the Microsoft Fabric Featured Partner badge too. With respect to AWS, we achieved the AWS Premier Tier Services Partner status — the highest level of recognition in the AWS Partner Network. And having AWS Gen AI Competency Partner status is no small feat either. In FY 26, we forged collaborations with Wharton and IISc to build an ecosystem that leverages AI and emerging technologies to reimagine the enterprise of the future. These partnerships provide continuous insight into evolving technology trends, cutting edge innovation, and the latest technology stacks fuelling a knowledge driven ecosystem that enhances our forward looking capabilities and delivers greater value to clients.

Industry accolades continued to flow in FY 26. Sonata Software was recognized among the Best Companies of APAC 2026. Besides, it bagged two prestigious awards at CII AI Summit and Awards 2025 gala. In addition, we received 17 recognitions from leading Analyst Firms across Cloud, Data, AI and others. We also had the honour to win ET Now Best Organizations to Work 2025 and Team Marksmen Most Preferred Workplace 2025-26 – reaffirming our dedication to fostering a culture of growth, learning, and innovation.

Our India Business (SITL) also made strong progress across three strategic growth pillars: 1) Expand the Microsoft Channel with a sharper focus on the SMC segment, including the incubation of our new Sonata-on-Cloud (SoC) offering. 2) Broaden partnerships with other ISVs - expanding beyond the three hyperscale CSPs. 3) Win large System Integration (SI) deals. These strategic bets are core to building a more diversified, resilient, and future-ready business.

Sonatians are the backbone of our success. Our significant strides in training and development, powered by Sonata University, have ensured more than 90% of our workforce is AI-capable, ready to partner with our customers and internal stakeholders in their AI journey.

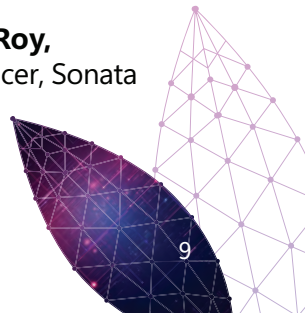
We are proud of what we accomplished as a team in FY 26. I want to express my deepest gratitude to all Sonatians worldwide for their dedication, expertise, and relentless drive that fuels our success.

Looking Ahead:

The world fuelled by AI — is entering an era where the need to adapt and evolve faster will be greater than ever. For Sonata, AI presents significant opportunity: by leveraging our size and scale, we aim to deliver enterprise velocity and position ourselves as a compelling choice for clients. Our focus on differentiated capabilities, partnerships, and sharper verticalization will empower clients to accelerate their journey toward AI first enterprise transformation.

Having emerged stronger in FY 26, we are committed to reimagining growth with AI as the primary driver—transforming talent, strengthening capabilities, and building on this foundation to seize the opportunities ahead."

Rajsekhar Datta Roy,
Chief Executive Officer, Sonata Software Limited



Board of Directors



From Left to Right

S.B. Ghia, P. Srikar Reddy, Mona Ninad Desai, Sanjay K Asher, Viren Raheja, Surin Shailesh Kapadia

Executive Leadership Team



Rajsekhar Datta Roy
Chief Executive Officer,
Sonata Software Ltd.



Jagannathan CN
Chief Financial Officer



Sujit Mohanty
Managing Director &
Chief Executive Officer,
Sonata Information Technology Ltd.



Anthony Lange
Chief Revenue Officer

Executive Leadership Team



Suresh HP
Chief Operating Officer



Manu Swami
Chief Technology Officer



Sharmila Sherikar
Head - Corporate Development



Balaji Kumar
Chief Human Resource Officer



Hemant Kumar Bhardwaj
Chief Marketing Officer



COVER STORY

Reimagining Growth with AI

AI is no longer just a capability; it is becoming the operating layer of the modern enterprise. Organizations are moving beyond fragmented pilots to embedding AI across revenue, operations, and engineering, fundamentally reshaping how they grow, operate, and compete.
Over the past year, Sonata has accelerated its AI journey with a clear ambition: to embed intelligence across the organization and convert innovation into measurable business impact. From client engagement to software engineering, from talent development to brand leadership, AI is increasingly becoming a unifying force across Sonata's ecosystem.

We are enabling this shift through platform-led transformation (Platformation.AI), agentic AI operating models, and partner-led GTM acceleration (PLF-driven), helping enterprises move from tool-based adoption to autonomous, AI-driven execution at scale. This is not just about adopting AI; it is about reimagining growth itself in an AI-first world.

Internally, Sonata is driving this transformation through a structured AI journey-from inflection to outcomes, engineering reinvention, and culture at scale, embedding intelligence across client solutions, delivery, and workforce capabilities. With platforms like Harmoni.AI, IntelliQA, and AgentBridge, combined with strong partnerships across Microsoft and AWS, Sonata is translating AI strategy into measurable business impact.

This momentum is shaping the path toward Sonata.AI an enterprise where AI powers innovation, scalability, and sustained competitive advantage.

Reimagining Growth Across Stakeholders

At Sonata, we are re-imagining growth by embedding AI across our solutions, delivery, and internal functions - driving smarter decisions, faster execution, and differentiated client outcomes.
By combining deep domain expertise with scalable AI-led platforms and offerings, we are unlocking new revenue streams while enhancing productivity and margins. This positions Sonata to deliver sustainable, future-ready value for clients, employees, and shareholders.



1. Customers: Driving AI-Led Experience & Revenue Growth

AI is transforming how customers discover, engage, and transact.

Use Case 1:
AI Customer Assistant (Education Services)

- AI-powered assistant handling billing, schedules, and parent queries
- Integrated across CRM, email, and backend systems

Impact:

- ~45% reduction in email handling workload
- 24x7 response capability
- Improved customer satisfaction and scalability

Use Case 2:
Engineering: From AI-Assisted to Agentic Engineering - AI-First Enterprise Transformation (Travel & Tourism Client)

- Established an AI-first operating model, including LLM strategy (build vs. buy)
- AI integration across the SDLC through augmented engineering workflows
- Deployed 5-10 AI agents across the travel lifecycle, enabling concierge-led customer journeys and intelligent automation
- Transitioned from SEO → AEO (Answer Engine Optimization). Deployed multi-agent ecosystem (search, booking, inspiration)
- Built an agentic engineering factory with lean teams and reusable AI components

Impact:

- 30% improvement in engineering productivity and 30% faster build cycles
- 30% reduction in ITSM costs through automation and AI-led support
- Automation-led reduction in transactions (5M → 1M annually)
- 10%+ reduction in business headcount, enabled by agentic operations
- Foundation for Agentic Internet (concierge-driven journeys)
- New customer acquisition via AI channels

Use Case 3:
NET Modernization of Legacy Application Landscape (Financial Services Client)

- Platform-driven modernization of legacy .NET 4.6.2 apps to .NET 8 using automated uplift and GenAI accelerators
- End-to-end factory model leveraging Amazon Q, Sonata SDK, and CI/CD-led migration with parallel Dev + change management

Impact:

- 36 applications modernized in ~7 months with zero business disruption
- 30%+ acceleration in migration and development cycles
- Reduced TCO through cloud-native, SaaS-ready architecture
- Improved future scalability via reusable components and reduced regression effort



2. Employees: AI-Augmented Workforce & Productivity Gains

AI is redefining work focus from being execution-heavy to design, decision-making and innovation.

Use Case 1:
AI Sales Order Automation (Manufacturing Client)

- AI agent for order intake via email/phone
- Automated product/customer mapping
- Intelligent unit conversion

Impact:

- Order processing time reduced 10-15 min → 5-7 min
- Reduced manual errors
- Improved CSR productivity

Use Case 2:
Benefit Inquiry Assistant (Manufacturing Client)

- Copilot embedded in Dynamics 365
- Real-time contextual retrieval of member benefits

Impact:

- Call handling time reduced 30–40 min → 10–12 min
- Improved accuracy and consistency
- Reduced agent cognitive load

3. Enterprise Transformation: Scaling AI Across Functions

Use Case 1:
GenAI CoE & Education Platform (Consumer Products Company)

- Conducted GenAI workshops + use case prioritization
- Built secure GenAI playground
- Established AI CoE with governance

Impact:

- Enterprise-wide GenAI adoption
- 20,000+ employees enabled
- 6+ production-grade use cases



Turning AI Into Business Value

"Innovation must translate into outcomes."

This belief has shaped the company's AI program around three strategic pillars, driving growth, improving operational efficiency, and building scalable talent capability.

Our Strategy focuses on creating value for clients through AI-driven solutions. Sonata's AI-led engagement model helps organizations achieve that, by combining deep engineering expertise with emerging AI capabilities, further refined through the **"BUILD (Better, Unified, Intelligent, Lean Delivery) with AI"** Workshop conducted in July 2025. Through this approach, Sonata is enabling clients to move from experimentation to enterprise-scale AI adoption, accelerating faster innovation and smarter operations for them.

Reinventing Engineering and Delivery

While AI is transforming client solutions, it is redefining how Sonata engineers and delivers technology. Across delivery teams and corporate functions, AI tools are being integrated into the software development lifecycle (SDLC) and internal workflows, enabling teams to operate more efficiently and focus on higher-value work. Developers are increasingly leveraging AI-powered coding environments, intelligent development frameworks, and modern approaches and engineering practices. Through platforms like Harmoni.AI, IntellQA and AgentBridge, Sonata drives intelligent automation, agentic workflows, and data-driven decision-making across enterprises. These solutions help organizations modernize operations, enhance customer experiences, and accelerate innovation, positioning AI as a strategic lever for scalable and sustainable growth.

Building an AI Culture

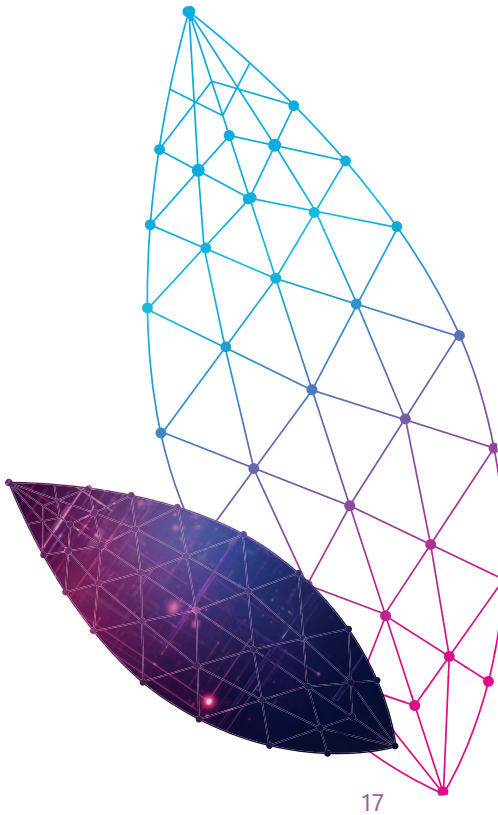
Technology transformation succeeds only when people grow alongside it. Recognizing this, Sonata is investing deeply in building an AI-enabled workforce and a culture of innovation.

Internal initiatives such as **AI Chronicle, "Build" with AI, AI Workshops, Knowledge Nexus, AI Mavericks, AI Trailblazers, AIconic Woman, Academia Collaboration (Wharton and IISC) and Spark Hackathons** have created vibrant platforms for employees to exchange ideas, experiment with new technologies, and showcase innovative solutions.

As part of the Sonata.AI War Cry, these initiatives represent our unified push to lead in the AI era, where AI Trailblazers drive transformation by initiating impactful projects, AI Mavericks power innovation with their technical excellence, and AIconic Women celebrate and strengthen the role of women in AI, inspired by our Women's Day initiative. Together, they embody our commitment to building a strong, inclusive, and future-ready AI ecosystem. Sonata created history at the SPARK Hackathon with **400 participants nominated**, making it one of the most engaging and impactful innovation events across the organization.

These initiatives go beyond training; they help foster a culture where curiosity, experimentation, and collaboration drive progress. Engineers, architects, and leaders across the organization actively contributed to Sonata's AI momentum.

At the same time, the company continues to strengthen its external presence through thought leadership events, industry engagements, and analyst recognitions, positioning Sonata as an emerging voice in the global AI ecosystem.



Reimagining Growth for Sonata through Partnerships

Sonata is transforming itself into an AI-first enterprise by focusing on modernization, Agentic AI, Adoption of AI and strategic academic partnerships with IISc and Wharton. By integrating advanced AI capabilities into its service offerings and collaborating with leading technology partners like Microsoft and AWS, Sonata is strengthening its digital ecosystem. This approach enhances delivery excellence, expands solution capabilities, and enables Sonata to stay competitive in a rapidly evolving AI-driven market.

Partnership with IISc

Sonata Software has entered a three year strategic collaboration with the Indian Institute of Science (IISc) through its Foundation of Science, Innovation and Development (FSID). The initiative is designed to create an ecosystem that leverages AI and emerging technologies to reimagine enterprises of the future, while ensuring ethical governance, trust, privacy, and compliance.



The partnership is anchored on four key objectives:

- **Promoting outreach and education programs** to engage students and communities, enhancing awareness and skills in AI and technology.
- **Supporting scientific research activities** in areas such as software engineering and responsible AI, enabling cutting edge advancements.
- **Enhancing research and education infrastructure** by upgrading facilities to support advanced learning and experimentation.
- **Incubating startups in AI,** providing a platform for entrepreneurial ventures that contribute to the broader AI landscape.

By combining IISc's research excellence with Sonata's enterprise engineering expertise, this collaboration aims to accelerate innovation, nurture talent, and set new benchmarks for responsible AI adoption. It reflects Sonata's commitment to building solutions that are transformative, ethical, and aligned with societal impact at scale.

Entering a Transformative Phase

FY 27 marks a decisive evolution in Sonata's growth journey, as we shift toward Partner-Led Funding (PLF) and partner-driven go-to-market acceleration. **At the heart of this momentum is our enduring partnership with Microsoft- one that has spanned more than three decades** and is now entering its most transformative phase. Together, we are scaling enterprise AI, accelerating Copilot adoption, and enabling agentic workflows across industries, redefining how organizations innovate and grow.

From Cloud Transformation to Agentic AI Leadership

Sonata's collaboration with Microsoft has steadily expanded from traditional cloud and application modernization into AI-native enterprise transformation. Today, the partnership is focused on embedding intelligence across every layer of the enterprise:

- Copilot and Power Platform to drive productivity and workflow automation
- Dynamics 365 to infuse AI into finance, supply chain, and customer engagement
- Microsoft Fabric to unify data estates and enable real-time intelligence
- AI applications and agentic models to build intelligent copilots, multi-agent systems, and autonomous workflows

This evolution positions Sonata not only as an implementation partner but as a co-innovation partner shaping the future of AI-led enterprises.

Recognized Leadership in the Microsoft Ecosystem

Sonata continues to be recognized among Microsoft's most strategic global partners. **We are a member of the Microsoft AI Council, part of the Inner Circle for Business Applications for four consecutive years, an Azure Expert MSP, and a featured partner for Microsoft Fabric.** With 18 Gold competencies and 10 advanced specializations, our credentials reflect both breadth and depth. More importantly, our leadership is demonstrated in real-world agentic AI deployments, active collaboration with Microsoft product teams, and enterprise-scale multi-agent workflows across industries

Leading in the Copilot and Agent Marketplace

Sonata is emerging as a market leader in the Microsoft Copilot ecosystem. We have more than five production-ready agents in the marketplace and seventeen agents deployed across twenty partners, spanning finance, procurement, supply chain, customer service, and HR. These are not pilots, they are enterprise-deployed solutions delivering measurable outcomes. Sonata is now among the top marketplace partners by agent volume and impact.

PLF-Led GTM: Scaling AI Adoption with Microsoft

A key driver of FY 27 growth is the strategic use of Partner-Led Funding. Sonata leverages Microsoft programs such as Solution Assessments, Proof of Concepts, Market Development Funds, and Azure Innovate to accelerate enterprise AI adoption. PLF enables pipeline creation, de-risks client adoption, accelerates deal conversion, and strengthens co-sell and marketplace-led motions. More than funding, PLF has become a structured mechanism to scale AI-led growth across geographies, industries, and offerings.

Engineering and Ecosystem Advantage

Sonata's strength lies in combining scale with expertise. With over 3,500 Microsoft-skilled professionals, deep capabilities across Azure, Dynamics, Data, and AI, and proven accelerators such as Harmoni.AI, we enable faster AI adoption cycles, reusable solution patterns, and enterprise-grade governance rooted in responsible AI practices.

The Next Phase: Co-Creating the Agentic Enterprise

Looking ahead, Sonata and Microsoft are jointly enabling enterprises to embrace AI-native operating models. Together, we are building multi-agent enterprise architectures, Copilot-first user experiences, autonomous business processes, and real-time AI-driven decision systems. This partnership is not only supporting transformation, it is defining the blueprint for the next generation of enterprises.



AWS Partnership: Expanding Strategic Bet for AI, Data & Cloud-Native Innovation

Sonata Software's collaboration with Amazon Web Services (AWS) represents a growing strategic investment in our multi cloud vision, focused on accelerating GenAI adoption, enabling industry specific innovation, and building scalable, cloud native AI platforms. As an AWS Advanced Consulting Partner, we leverage AWS not just as a technology provider but as a high velocity innovation engine, complementing our Microsoft led go to market strategy by strengthening capabilities across data, engineering, and AI first solution development. This partnership plays a critical role in diversifying Sonata's ecosystem, reducing dependency on a single hyperscaler, and enabling a more composable, cross cloud enterprise architecture.

Driving Next Gen AI Adoption

Our AWS strategy is anchored around three high impact focus areas. First, GenAI innovation via Amazon Bedrock, where we build, fine tune, and deploy foundation model–based applications, enable Retrieval Augmented Generation for enterprise knowledge systems, and support secure, scalable adoption without infrastructure complexity. Second, industry accelerators and AI solutions, tailored to verticals such as BFSI, Healthcare, Manufacturing, Retail, and TMT, with reusable frameworks for document intelligence, data harmonization, workflow automation, and AI driven decision support. Third, marketplace led GTM motions, leveraging AWS Marketplace for co sell and scalable distribution, aligning with AWS funding programs, and driving faster pipeline conversion through packaged, outcome driven offerings.

From Experimentation to Enterprise Scale

Sonata's AWS led engagements demonstrate strong execution across real world enterprise AI scenarios. In data and platform modernization, we enable AI powered ingestion, normalization, and enrichment of fragmented data, creating standardized models and real time, event driven architectures. In document and knowledge transformation, we automate extraction and structuring of unstructured content, deliver AI driven summarization, and reduce dependency on manual workflows. In agentic AI and intelligent workflows, we deploy agents for process automation, risk analysis, and orchestration across enterprise systems. In engineering and testing, we apply AI to defect detection, ticket triaging, and productivity improvements, accelerating release cycles.

These deployments are delivering strong and measurable business impact—significantly reducing manual effort, improving operational efficiency, enhancing content consistency, accelerating turnaround times, and enabling better decision making through structured, AI enriched data. This progress reflects a clear transition from pilot initiatives to production grade AI at enterprise scale.

Accelerating Innovation Through PLF and AWS Programs

AWS has emerged as a fast growing PLF partner, enabling Sonata to scale innovation through programs such as PoCs, pilot funding, the Migration Acceleration Program, industry accelerators, and marketplace led co sell motions. These initiatives accelerate early stage innovation, support engineering heavy and data intensive transformation deals, and enable faster transitions from concept to enterprise rollout.

Engineering Excellence and Co Innovation

Sonata leverages the AWS stack, including Amazon Bedrock, Textract, Lambda, Glue, Step Functions, S3, Kinesis, and API Gateway to deliver scalable, cloud native solutions. Combined with Harmoni.AI, this enables rapid development of AI first enterprise applications, reusable accelerators, and secure, production ready deployments. Beyond delivery, our collaboration extends into continuous capability building through joint workshops, hackathons, PoC labs, and co development of industry specific AI solutions, all underpinned by a strong commitment to responsible AI and governance.



SONATA AT A GLANCE

About Sonata Software

The modern enterprise of today's world is characterized by rapid digital transformation, where cloud computing, Artificial Intelligence (AI), and data analytics allow businesses to operate faster, scale, and innovate.

Modernization Engineering is no longer a luxury but a strategic necessity for enterprises for long-term competitiveness and survival in a digital-first economy, as legacy systems become increasingly costly to maintain, vulnerable to cyber threats, and inflexible to business demands.

Sonata Software, with over $1.2 Billion Revenue, is a leading AI-first Modernization Engineering company, powered by our unique Platformation™ framework. Our 6400+ AI Engineers are helping enterprises transform from systems to intelligent business platforms leveraging partner ecosystem to drive speed, efficiency and growth. Our bouquet of Modernization Engineering Services with AI -first approach cuts across Cloud, Data, AI, Dynamics, Test Automation, and Managed Services.

Sonata's AI-led modernization is enabled by a powerful suite of proprietary tools and assets. At the core is the **Harmoni.AI** Enterprise Platform, which includes **AgentBridge**-a governance and observability framework; AgentBuilder-a development toolkit for fungible agents integrated into enterprise systems; and the **Agent Marketplace**-an internal ecosystem for modular, reusable agents.

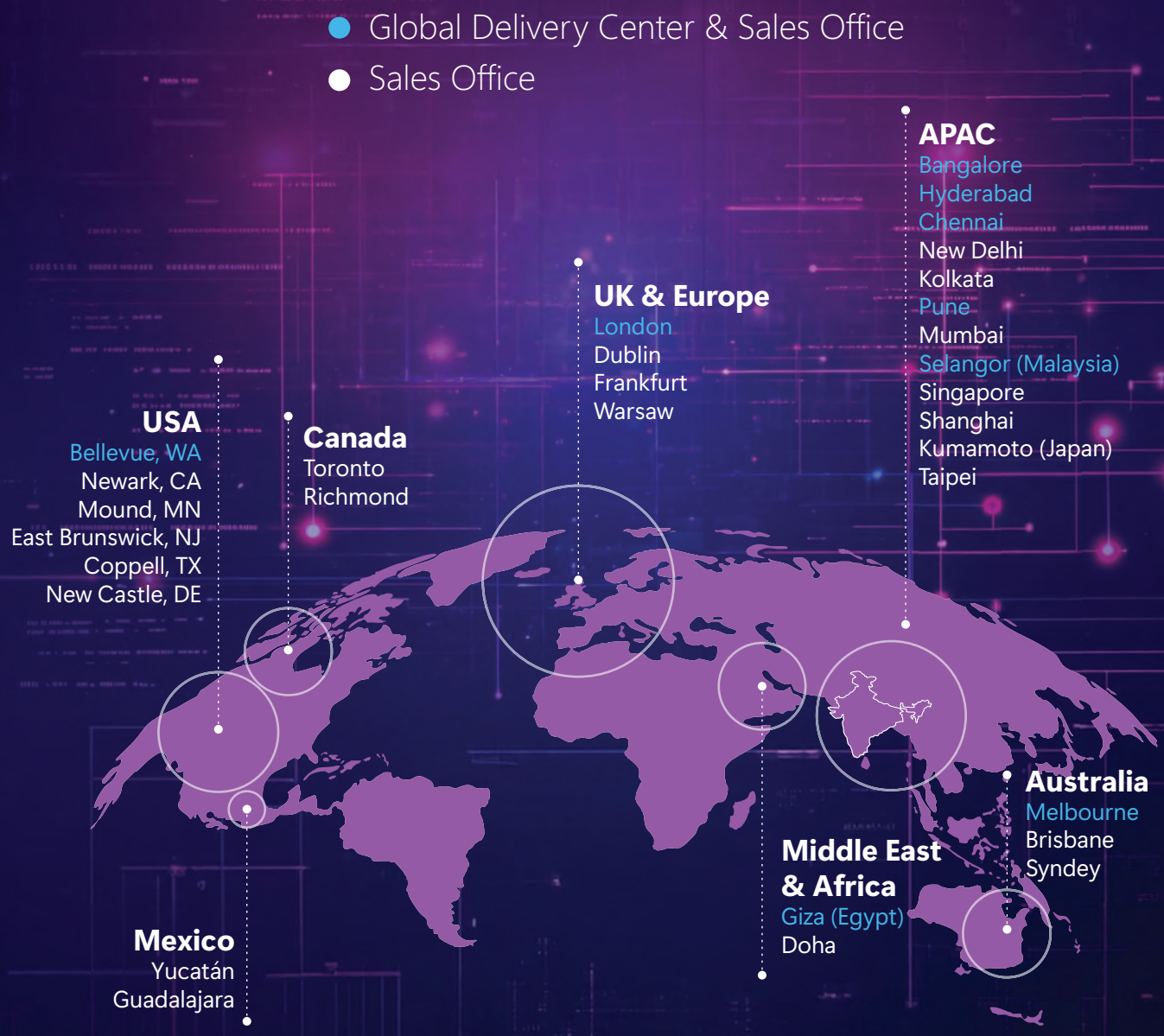
Headquartered in Bengaluru, India, Sonata Software has a strong global presence, including key regions in US, UK, India, Malaysia, Mexico, Australia, DACH & Nordics. We are a trusted partner of Fortune 500 companies in Banking, Financial Services and Insurance; Healthcare and Lifesciences; Telecom, Media, and Technology; and Retail, Manufacturing and Distribution space.

Deep collaborations with partners like Microsoft, AWS, Salesforce, and Snowflake strengthen our ability to deliver cutting-edge AI solutions. Our 30+years of partnership with Microsoft, and being part of the elite Microsoft Inner Circle, places us among the top 1% of global Microsoft partners. Sonata is now among the first companies to earn the **Microsoft Frontier Partner Badge**, Sonata Software is also proud to achieve AWS Premier Tier Status in the AWS Partner Network.



Serving Our Global Clients with Right Talent Mix

(Global & Local Talent)



Life at Sonata

Celebrating Diwali



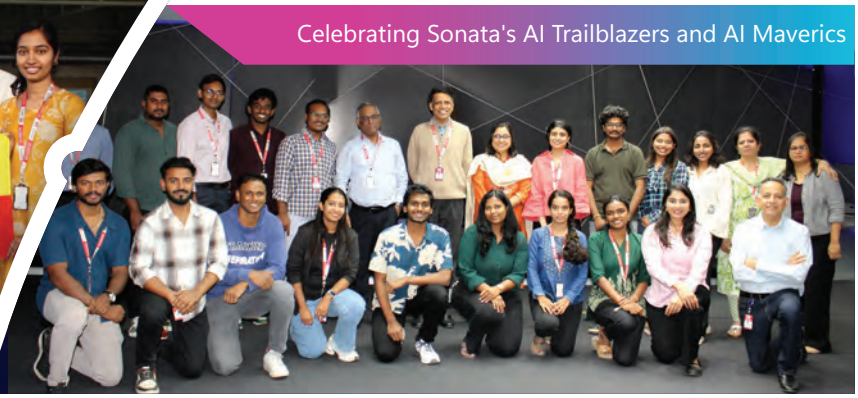
Celebrating Milestone Awardees



Celebrating Kannada Rajyotsava



Celebrating Sonata's AI Trailblazers and AI Maverics





Celebrating the Spirit of the Game

Celebrating International Women's Day



Celebrating Sankranti, a festival with diverse regional flavours



Sustainability at Sonata

Sustainability Vision:
Our Vision for Sustainability is based on the "Triple Bottom Line" framework. While financial sustainability is critical it must be achieved within a framework that focuses on Environmental and Social sustainability impact. Based on the "Triple Bottom Line" model, we have identified our ESG issues.

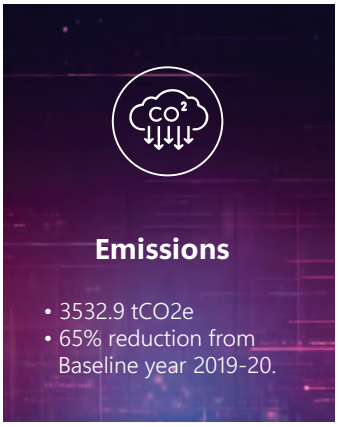
Sustainability Objective:
To act on our commitment to sustainable growth of the organization, while safeguarding and promoting equitable growth of employees, communities, associates, clients, investors, suppliers and other key stakeholders and conserving the environment.

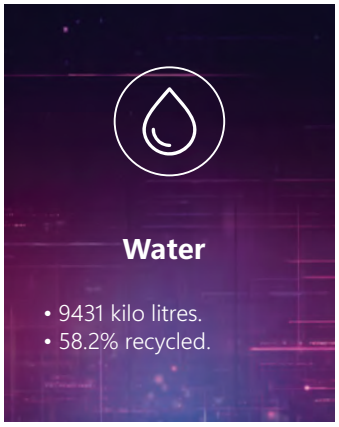
Our Material Topics

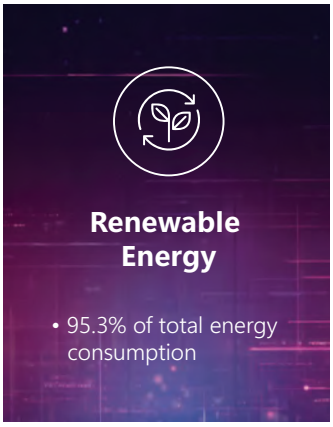
Environment	Social	Governance

High	Medium	Low
Human Capital Development, Retention & Labour Practice	Human Rights and Health & Safety	ESG Reporting, Regulation & Compliance
Corporate Governance & Business Ethics	Corporate citizenship & Philanthropy	Economic Performance
Privacy Protection & Cybersecurity	Risk and Crisis Management	Brand Reputation
Climate Change (Climate Risk and GHG Emissions)	Innovation Management	Policy Influence
Customer Relationship Management	Resource Management (Water & Waste)	Biodiversity
	Supply Chain Management	Tax Strategy









***Please refer BRSR and ESG Report for more information on our Sustainability disclosures.**

Please refer BRSR and ESG Report for more information on our Sustainability disclosures.

Sustainable Supply Chain

We proactively engage with and build the capacity of our Top suppliers to strengthen their understanding of ESG principles and ensure alignment with Sonata's sustainability standards. ESG due diligence is formally embedded within our Supplier Code of Conduct, which all suppliers are required to acknowledge and comply with. In addition, we conduct periodic sustainability assessments of Top suppliers to evaluate and enhance their environmental and social performance.

EHS (Environment, Health and Safety)

Ensuring a safe and healthy work environment for employees is a priority, supported through the following EHS initiatives:

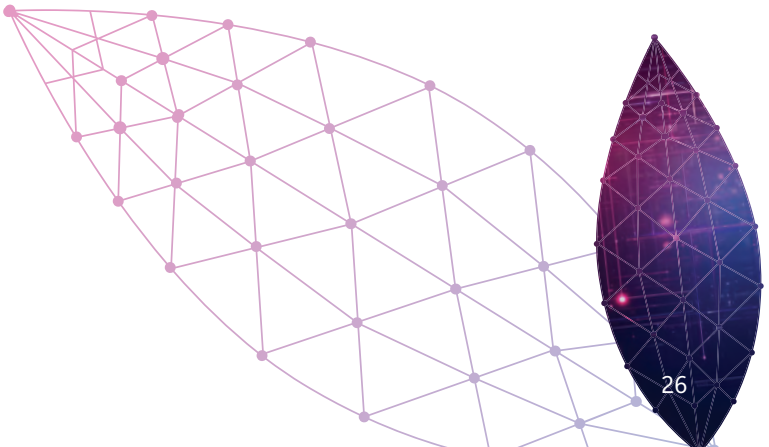
- Commitment to maintaining a safe and healthy workplace for all employees.
- Promotion of health and safety awareness through regular training and communication.
- Implementation of a structured process for incident reporting, investigation, and corrective actions.
- Identification and assessment of EHS risks and their potential impacts on people and operations.
- Compliance with applicable environmental, health, and safety laws and regulations.
- Responsible waste management practices to minimize environmental impact.

Environmental Management Systems (ISO 14001)

Sonata has implemented and sustained ISO 14001, the internationally recognized Environmental Management System standard, reinforcing its commitment to sustainability and responsible business practices. This certification reflects a structured approach to reducing environmental impact through efficient resource utilization, waste minimization, and regulatory compliance. The integration of environmental considerations into operations has supported improvements in energy efficiency, reduction of carbon footprint, and adoption of eco friendly initiatives. Ongoing performance monitoring, employee awareness programs, and sustainable procurement practices drive continuous improvement. ISO 14001 certification aligns with Sonata's broader sustainability objectives and underscores its commitment to environmental stewardship and long term sustainable value creation.

Occupational Health and Safety Management Systems (ISO 45001)

Sonata has implemented and sustained ISO 45001, the internationally recognized standard for Occupational Health and Safety Management Systems, reaffirming its commitment to ensuring a safe and healthy work environment for employees, contractors, and other stakeholders. The certification reflects a proactive approach to hazard identification, risk assessment, continuous monitoring, and employee engagement, strengthening workplace safety culture and mitigating potential risks. Ongoing training programs, adherence to applicable legal requirements, and a structured incident reporting mechanism support continual improvement. ISO 45001 certification aligns with Sonata's sustainability objectives and underscores its commitment to employee well being, operational excellence, and the creation of a safe and resilient workplace.



Employee Engagement

ESG Essential Training Module

Sonata has developed and implemented a structured training module to enhance understanding of Environmental, Social, and Governance (ESG) principles and their relevance to business operations.

4423 employees completed the ESG training.

Explore the New ESG Training Module

Embrace Change and **Create Impact**



Ratings and Awards:

ecovadis	Sonata Software is currently undergoing the EcoVadis ESG assessment for FY26, showcasing strong performance across ESG policies, measures, impact, and disclosures.
CDP DRIVING SUSTAINABLE ECONOMIES	Sonata received B rating, indicating that the company is among organizations that have achieved the Management level.
Dow Jones Sustainability Indexes	Sonata participated in the S&P Global Corporate Sustainability Assessment (CSA) and achieved an ESG score of 63.
United Nations Global Compact	Sonata Software is an active participant in the United Nations Global Compact (UNGC), reinforcing its commitment to responsible business practices.

For the latest information about sustainability at Sonata Software, please visit
https://www.sonata-software.com/about-us/sustainability

Corporate Social Responsibility

CSR Vision: To enhance value creation in the community through Sonata's services, conduct & initiatives, to promote sustained growth in the society and community. The objective is to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stake-holders including our community.

Sonata's CSR projects Social Impact Assessment

Sonata Software underwent a third-party social impact assessment of its CSR projects by BlueSky. The evaluation highlights a high level of process maturity and strong achievement of program objectives, with the assessed projects demonstrating best practices in implementation and impact. These outcomes have been duly reported in the ESG Data Book, reinforcing the strength and effectiveness of Sonata's CSR initiatives.

Key Projects

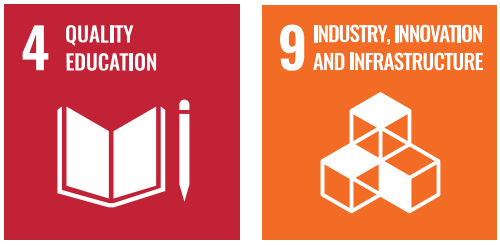
Indian Institute of Science (IISc):

Project: Research and Development in Software Engineering and Responsible AI

Impact

This initiative supports scientific research and education programs at the Department of Computer Science and Automation, Indian Institute of Science. The project strengthens research infrastructure and promotes innovation in software engineering and responsible artificial intelligence. Through research collaborations, outreach programs, and knowledge-sharing initiatives, the project enhances academic learning, encourages innovation in emerging technologies, and supports the growth of AI-focused startups within the research ecosystem.

SDG Alignment



Unnati Foundation:

Project: Development of a Unified Cloud Platform for Training and Stakeholder Access

Impact

The project focuses on developing a unified cloud-based platform to enable centralized access management for multiple stakeholders through a secure Single Sign-On (SSO) system. The platform strengthens the digital infrastructure of Unnati Foundation's training programs by improving operational efficiency, enabling secure data management, and ensuring seamless access to digital learning systems. This technology-driven initiative enhances the scalability and effectiveness of skill development programs delivered to beneficiaries across multiple locations.

SDG Alignment



Saytrees- Farm Twin:

Project: Farm Twin – Digital Simulation Platform for Agroforestry Planning

Impact

- Develops a digital platform to help farmers plan agroforestry models using data driven insights.
- Provides guidance on crop combinations, income potential and carbon sequestration benefits.
- Supports sustainable land use and climate resilient farming practices.
- Enhances agricultural productivity and farmer incomes

SDG Alignment



Centum Foundation:

Project: Digital Skilling and Employability Training for Underserved Youth

Impact

- The project aims to provide employability skilling for underprivileged youth in the IT sector, focusing on enhancing employability, promoting gender diversity, and addressing industry demand. It includes specialized training in Data Analytics and Microsoft Dynamics 365 for 250 beneficiaries, with 90% participation from women and 70% placement assistance across Hyderabad and Bengaluru.
- Trained 250 underserved youth—90% women—in technology skills, supporting job placement and enhancing employability, confidence, and inclusion.

SDG Alignment



Agastya International Foundation:

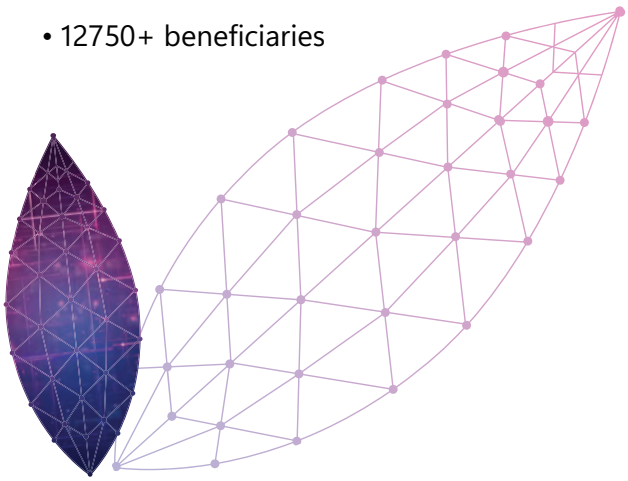
Project: Technology-enabled Educational Engagement WeLearn App

Impact

- Practical education to Rural school students
- 10,000+ downloads of the app
- 12750+ beneficiaries

SDG Alignment





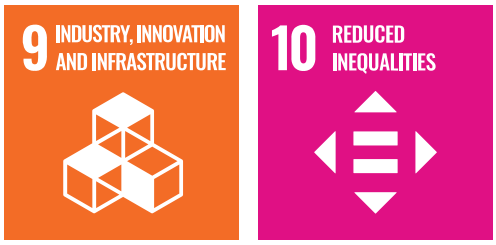
Industree Crafts Foundation:

Project: Developing a Digital Repository Platform for Artisan Design and Product Management

Impact

- Preservation of cultural heritage: The initiative provides a centralized platform to document, store, and showcase artisans' designs and products, supporting the preservation of traditional art forms.
- Empowerment of artisans: The Co Create app simplifies artisan enrollment and enables wider market access, creating enhanced visibility and improved economic opportunities for artisans.
- 400+ beneficiaries

SDG Alignment



Arvind Eye Hospital

Project 1: AEH Vikas (Assistive Technology Application for Children with Cerebral Visual Impairment (CVI))

Impact

- The project supports the development of an Android-based assistive technology application designed to assist children with Cerebral Visual Impairment (CVI). The application functions as both a diagnostic and therapeutic tool, offering interactive exercises and visual training modules that help improve visual awareness and perceptual skills. By enabling early diagnosis and therapy support, the initiative contributes to improved cognitive and visual development outcomes for children with special visual needs.

SDG Alignment

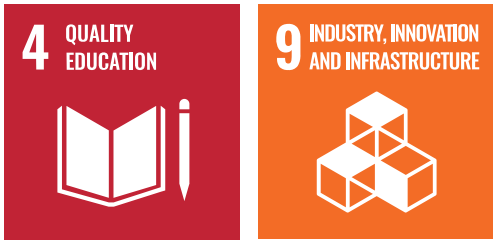


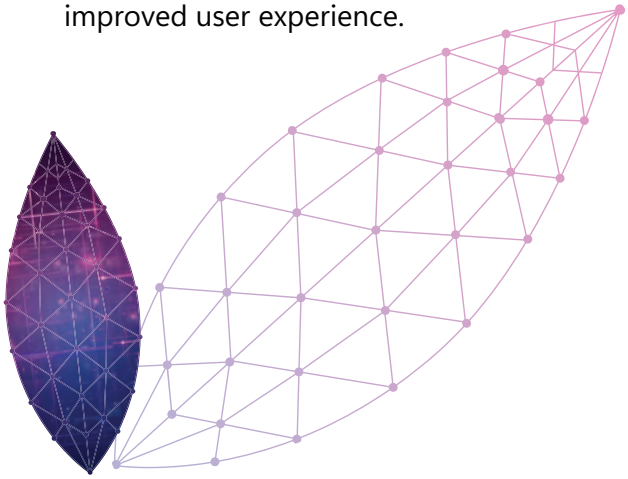
Project 2: AEH Simulation:

Impact

- To design a Workflow Simulation Portal for AEH that leverages interactive simulations to enhance user understanding of software solutions and upgrades, supporting quicker adoption, reduced training effort, and improved user experience.

SDG Alignment





Diversity and Inclusion through CSR

Sonata continues to advance diversity and inclusion through targeted CSR initiatives that expand access to education, digital skills, healthcare support, and livelihood opportunities for underserved communities.

- The CSR programs implemented with Centum Foundation and FVTRS have benefited 500 individuals, with **90% of beneficiaries** being women and persons with disabilities, by enhancing employability through skill and technology based education.
- **Digital Repository Platform for** Artisans enabled 400+ artisans to digitize designs and access wider market, strengthening inclusion livelihood opportunities.
- The Assistive Technology Application for Children with Cerebral Visual Impairment (CVI), developed in collaboration with Aravind Eye Hospital, supports early diagnosis and therapy for children with special visual needs through interactive digital tools. The initiative enhances accessibility and contributes to improved cognitive and visual developmental outcomes.
- The project supports the education and career development of underprivileged girls through financial assistance and career readiness programs. It benefits 75 school students under **Project Puthri** and 100 scholars under the **Nipuni Career Pathing** initiative by providing educational support, digital skills, and industry-oriented training.
- Sarthak Education foundation is an inclusive **e-commerce platform** providing affordable assistive products to persons with disabilities, benefiting over one lakh individuals annually.





MODERNIZATION ENGINEERING

Reimagining Modernization Engineering with AI

1. The New Era of Enterprise Growth

Enterprises are operating in an environment of sustained disruption, rapid technological change, and rising expectations for speed, intelligence, and resilience. Incremental efficiency improvements are no longer sufficient to drive competitive advantage.

Artificial Intelligence is now redefining enterprise growth, reshaping decision-making, operations, and innovation at scale. However, the real shift is not experimentation with AI, but its industrialization across core enterprise platforms and processes.

At Sonata Software, we believe the future of enterprise growth will be AI-first, platform-led, and continuously modernized. Our strategy revolves around enabling organizations to **reimagine growth through intelligent modernization** leveraging AI, cloud platforms, data ecosystems, and industry-specific innovation to unlock new sources of value.
Through our modernization frameworks, AI platforms, and deep engineering capabilities, we help enterprises transform across three critical dimensions:

- **Business processes** that become intelligent, autonomous, and adaptive
- **Technology platforms** that are scalable, cloud-native, and AI-ready
- **Operating models** that continuously evolve through automation and insights

This AI-first approach enables organizations to move beyond digital transformation towards AI-powered enterprise reinvention.

2. Our Approach to AI-Led Modernization

At the core of Sonata's strategy is a belief that sustainable growth requires continuous **modernization powered by AI.**

Our approach is anchored on three modernization pathways that enable enterprises to unlock value at scale.

Business Process Reinvention

AI is redefining how enterprises operate by enabling automation, intelligence, and predictive decision-making across core business functions.
Sonata works with organizations to redesign business processes



using AI, automation, and analytics. By embedding generative AI, agentic automation, and predictive intelligence into operational workflows, enterprises can transform manual processes into autonomous, **insight-driven systems.**

From intelligent service desks and AI-assisted finance operations to predictive supply chains and customer engagement platforms, AI enables organizations to achieve:

- Faster decision cycles
- Improved operational efficiency
- Enhanced customer experiences
- Scalable operational models

Through this approach, enterprises can unlock significant productivity gains while enabling their workforce to focus on higher-value activities.

Technology Platform Modernization

Legacy systems often constrain innovation, slowing down the ability of organizations to respond to changing market conditions.

Sonata's technology modernization capabilities help enterprises transition from fragmented legacy architectures to cloud-native, AI-enabled platforms.

Our modernization approach includes:

- migrating legacy applications to modern cloud platforms
- adopting microservices and event-driven architectures
- integrating enterprise data platforms for AI readiness
- embedding AI services directly into enterprise applications

By modernizing the underlying technology foundation, organizations can enable faster innovation cycles, improve system scalability, and reduce total cost of ownership.

Continuous Modernization

In this AI era, transformation is no longer a one-time initiative: it is a continuous journey.

Sonata adopts an agile and iterative approach to modernization, enabling organizations to evolve their technology and operating models over time. This approach ensures that enterprises can continuously incorporate emerging technologies, adapt to market changes, and unlock new growth opportunities.

Through continuous modernization, organizations can move from static transformation programs to **dynamic innovation cycles powered by AI and automation.**

3. Our Strategic Focus for the Future

Looking ahead, Sonata is scaling its investments to accelerate AI-driven transformation across industries and geographies.

Our strategic priorities focus on embedding AI across all service lines and solution offerings, enabling enterprises to move from digital transformation to **AI-powered growth platforms.**

Central to this vision are three proprietary frameworks:

Platformation.AI

A platform-led approach that combines engineering excellence, AI capabilities, and industry-specific accelerators to deliver scalable transformation outcomes.

Harmoni.AI

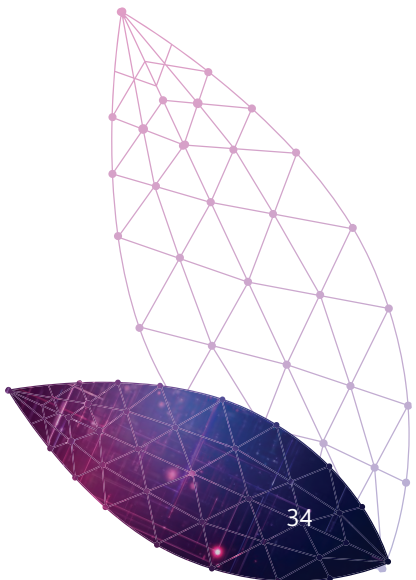
Sonata's enterprise AI platform designed to enable AI-governance, and responsible AI adoption across enterprise environments.

AgentBridge

Enterprise-grade agentic AI platform that enables organizations to design, orchestrate, and govern intelligent AI agents across business functions and cloud environments.

These frameworks enable clients to accelerate AI adoption while maintaining governance, scalability, and enterprise-grade security.

By integrating AI across cloud, data, applications, and business



processes, Sonata helps organizations build **AI-native enterprises** capable of sustained growth and innovation.

4. Core Competency Pillars Driving AI-Led Growth

Our AI-driven transformation strategy is supported by a set of integrated competencies that span cloud, data, applications, engineering, and managed services.

Together, these capabilities enable Sonata to deliver end-to-end enterprise modernization.

4.1 Cloud Modernization

Cloud forms the foundation for AI-enabled enterprises.

Sonata helps organizations accelerate their cloud journeys through AI-led cloud modernization strategies that combine migration, modernization, and intelligent operations.
Our cloud modernization approach focuses on:

- migrating legacy workloads to scalable cloud environments
- adopting cloud-native architectures
- enabling AI-driven observability and predictive infrastructure operations
- integrating AI services across enterprise platforms

Through partnerships with leading hyperscalers including Microsoft, AWS, and Google Cloud, Sonata delivers cloud transformation programs that enable enterprises to achieve greater agility, scalability, and resilience.

By embedding AI into cloud operations, Sonata enables enterprises to progress toward autonomous infrastructure management—improving resilience, reducing operational complexity, and enabling faster innovation.

4.2 Data Modernization

Data is the foundation of AI-driven innovation.
However, many enterprises struggle with fragmented data ecosystems that limit their ability to generate insights and deploy AI effectively.

Sonata's data modernization offerings help organizations build intelligent data platforms that unify data governance, analytics, and AI capabilities.
Our approach includes:

- building enterprise data platforms
- enabling modern data architectures such as data lakes and lakehouses
- implementing AI-driven data governance and quality frameworks
- enabling real-time analytics and decision intelligence

Through technologies such as Microsoft Fabric, Databricks, and Snowflake, Sonata enables organizations to transform data into a strategic asset that fuels AI-driven innovation.



By modernizing their data foundations, enterprises can unlock advanced analytics, predictive insights, and generative AI capabilities across business functions.

4.3 Managed Services

Modern enterprises require intelligent operations that combine automation, AI, and engineering excellence. Sonata's Managed Services offerings are designed to transform traditional IT support models into AI-driven service ecosystems.

By embedding generative AI, automation, and predictive analytics into service operations, we enable enterprises to move from reactive support models to proactive, intelligent service delivery.

Our AI-enabled managed services capabilities include:

- intelligent service desk operations
- AI-driven infrastructure management
- automated incident resolution and root cause analysis
- predictive system monitoring and optimization

These capabilities enable organizations to achieve improved system reliability, faster issue resolution, and enhanced operational efficiency. Through continuous optimization and automation, enterprises can significantly reduce operational costs while improving service quality.

4.4 Process Modernization

Enterprise applications play a critical role in enabling digital business models.

Sonata helps organizations modernize their ERP and CRM ecosystems using Microsoft Dynamics 365, Copilot Studio and Power Platform, integrating AI capabilities directly into enterprise processes.
Our Dynamics modernization approach focuses on:

- transforming legacy ERP and CRM systems into cloud-based platforms
- embedding AI copilots and automation into enterprise workflows
- enabling real-time insights across finance, supply chain, and customer operations
- creating intelligent digital experiences for employees and customers

This approach enables finance, supply chain, and customer operations teams to operate with greater insight, speed, and automation, directly improving business productivity and decision-making.

4.5 Responsible AI Infrastructure and Governance

As AI adoption accelerates, enterprises must ensure that AI systems are secure, transparent, and trustworthy.

Sonata's Responsible AI framework helps organizations implement AI with strong governance, ethical safeguards, and enterprise-grade controls.
Our Responsible AI capabilities include:

- AI governance and compliance frameworks
- model monitoring and observability
- bias detection and fairness controls
- AI security and risk management

By integrating responsible AI principles into every stage of the AI lifecycle, organizations can deploy AI solutions that are both innovative and trustworthy.

5. Enabling Large-Scale Transformation

Sonata's competencies are deeply integrated into our large-deal strategy.
AI capabilities are embedded across solution architecture, industry-specific offerings, and transformation programs, enabling us to deliver scalable enterprise solutions across sectors.

Our transformation programs combine:

- Cloud modernization
- Data platform transformation
- AI-driven automation
- Application modernization
- Managed services

This integrated approach enables organizations to undertake complex transformation initiatives with confidence, unlocking new growth opportunities across industries.



6. Talent Transformation and the SME Program

People remain at the centre of enterprise transformation. Sonata's Modernization Engineering (SME) Program ensures

Sonata's workforce remains future-ready, enabling consistent delivery of large-scale, AI-led transformation programs while maintaining high standards of quality, governance, and innovation.

Through structured learning programs, certifications, and hands-on innovation initiatives, Sonata is continuously investing in developing expertise across:

- cloud engineering
- AI and machine learning
- data engineering and analytics
- platform engineering and automation

Our talent transformation initiatives ensure that our teams are equipped to deliver complex AI-led transformation programs while helping clients navigate the evolving technology landscape.

7. Ecosystem and Strategic Partnerships

Strategic partnerships play a critical role in enabling enterprise transformation.
Sonata continues to strengthen its ecosystem partnerships with leading hyperscalers, technology providers, and platform innovators.
Our key partnerships include:

- Microsoft
- Amazon Web Services
- Google Cloud
- Databricks
- Snowflake

These partnerships enable Sonata to co-innovate, accelerate solution development, and deliver integrated transformation programs at scale across industries.

8. AI-Led Platforms and Intellectual Property

Sonata's AI transformation strategy is powered by a portfolio of proprietary platforms and accelerators designed to enable scalable enterprise innovation.

We Together, these platforms provide a scalable foundation for building intelligent enterprise systems and unlocking AI-driven business outcomes.

9. The Sonata Way Forward

The future of enterprise growth will be defined by organizations that can harness AI to drive innovation, efficiency, and resilience.

At Sonata, our strategy is built on a strong foundation of engineering excellence, platform-led transformation, and AI innovation.

By combining cloud modernization, intelligent data platforms, enterprise applications, AI-driven operations, and responsible AI governance, we enable organizations to transform their businesses for the AI era.

As enterprises accelerate toward AI-led transformation, Sonata remains committed to enabling clients to innovate faster, operate smarter, and build resilient, future-ready organizations.





PARTNER ECOSYSTEM

A Partner Ecosystem Built for Transformation

Sonata Software's growth and differentiation are anchored in a strong and continually evolving partner ecosystem. In FY 26, the Company further expanded this ecosystem to support its AI-first Modernization Engineering strategy, strengthening collaborations across cloud platforms, data and analytics providers, enterprise software leaders, and emerging AI-native technology companies.

By working closely with its partners, Sonata enables enterprises to modernize core systems, operationalize AI at scale, and accelerate the transition from legacy IT environments to intelligent, connected business platforms. This ecosystem approach allows Sonata to co-create industry-specific solutions, pursue joint go-to-market opportunities, and deliver measurable outcomes for customers across global markets.

Together, these partnerships help Sonata:

- Accelerate enterprise AI adoption across industries
- Deliver co-developed, domain-specific transformation solutions
- Enable faster cloud, data, and application modernization
- Bring new AI-powered capabilities to market through joint GTM initiatives

Hyperscaler Partnerships Powering AI Innovation

AI transformation accelerates through powerful ecosystems. And, this is what drives Sonata Software's AI-led transformation strategy, built on strong collaborations with leading hyperscalers and technology platforms. These partnerships enable integrated cloud infrastructure, data intelligence, and AI capabilities into enterprise systems at scale.

1. Microsoft

Our long-standing collaboration with Microsoft continues to deliver enterprise transformation across cloud, data, and AI.

As a **Microsoft Inner Circle Partner,** Sonata works closely with Microsoft to help enterprises modernize applications, deploy AI-powered productivity tools, and build intelligent enterprise workflows.
Key initiatives include:

- AI-led application modernization on Azure
- Enterprise Copilot deployments to enhance workforce productivity
- Development of industry-specific AI agents using Sonata's AgentBridge platform
- Advanced cloud and AI specializations supporting enterprise modernization

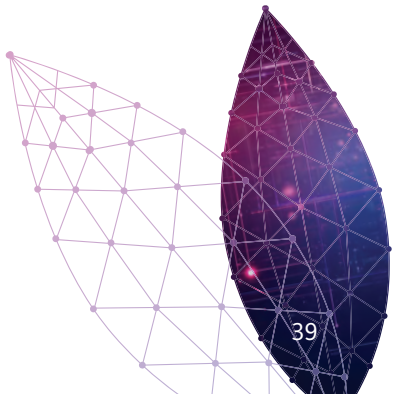
Together, we are enabling organizations to embed intelligence across core operations, unlocking faster decision-making and scalable innovation.

2. AWS

Sonata continues to deepen its strategic engagement with Amazon Web Services, helping enterprises translate Generative AI innovation into tangible business outcomes.
As an AWS Advanced Tier Services Partner with Gen AI Competency, Sonata collaborates with AWS to accelerate enterprise adoption of cloud-native AI solutions.
Through this partnership, we help organizations:

- Implement scalable Generative AI applications
- Modernize legacy systems through cloud migration frameworks
- Deploy intelligent automation across enterprise operations
- Build AI-driven analytics environments that enable faster insights

Our collaboration with AWS also focuses on developing industry-specific AI solutions available through AWS Marketplace, enabling faster adoption across BFSI, healthcare, retail, and manufacturing sectors.



3. Snowflake

Data remains the foundation of AI-driven growth, and Sonata's partnership with Snowflake enables enterprises to transform fragmented data environments into unified, AI-ready data platforms.

Through Snowflake-powered data architectures, Sonata helps clients:

- Consolidate enterprise data across cloud and hybrid environments
- Enable real-time analytics and AI-driven insights
- Build scalable data platforms that support advanced machine learning models

These capabilities allow organizations to unlock the full value of their data, enabling smarter forecasting, improved operational visibility, and faster innovation.

4. Salesforce

Sonata's partnership with Salesforce focuses on reimagining customer engagement through AI-powered customer experience platforms.

By combining Salesforce's enterprise CRM capabilities with Sonata's AI-driven analytics and automation frameworks, organizations can:

- Deliver hyper-personalized customer experiences
- Automate sales and service workflows
- Unlock predictive insights across customer journeys

These capabilities enable enterprises to improve customer acquisition, retention, and revenue growth through data-driven engagement strategies.

Expanding into Agentic and AI-Native Cloud Platforms

DigitalOcean

In FY 26, Sonata Software entered a strategic collaboration with DigitalOcean, a cloud platform focused on scalable, developer-friendly infrastructure, to support enterprise adoption of agent-driven AI solutions. The collaboration brings together Sonata's AgentBridge™ enterprise AI orchestration platform with DigitalOcean's cloud capabilities, simplifying deployment, orchestration, and governance of AI agents across enterprise workflows.

Co-Innovation for the Next Wave of Enterprise AI

Beyond hyperscaler partnerships, Sonata's innovation ecosystem includes collaborations across:

- Cybersecurity
- IoT and edge computing
- Enterprise data platforms
- AI-native startups
- Advanced analytics and automation providers



Real-World Impact: AI Transformations and Large Deal Momentum

In FY 26, we secured several large, strategic engagements across North America and Europe, reinforcing our position as a trusted transformation partner for global enterprises.

These deals span industries including **Technology, BFSI, Healthcare & Life Sciences, and Enterprise Software**, and reflect growing demand for AI-led modernization, intelligent automation, and large-scale cloud and data transformation.

Across these engagements, enterprises are turning to Sonata to modernize technology platforms, as well as embed AI, automation, and data intelligence into their core operations to drive long-term growth.

AI-Led IT Infrastructure Transformation in Healthcare

Industry: Healthcare & Life Sciences | **Region:** United States

Sonata was the **strategic IT partner** for a leading bedside diagnostics and clinical services provider to manage and modernize its entire IT landscape.

The engagement spans end-to-end **IT infrastructure outsourcing**, covering:

- Management of the client's full IT environment across multiple business units
- Operational support across "Run", "Change", and "Transform" initiatives
- AI- and agentic-led automation to improve operational efficiency
- Technology innovation to support healthcare service delivery at scale

This transformation helps the organization streamline operations, modernize infrastructure, and accelerate digital innovation across its healthcare platforms.

AI-Led Platform and Data Modernization for Global Fintech

Industry: Banking, Financial Services & Insurance | **Region:** United States

A major global financial technology and payments company partnered with Sonata Software to modernize its digital platform and data infrastructure.

The engagement focuses on:

- Development and support of a digital checkout solution powering bank-backed online payment
- Modernization of legacy systems while maintaining platform stability
- Transformation of the DNA platform to unify user experiences across Teller, Front Office, and Back Office operations
- Removal of UI-embedded business logic to accelerate feature delivery and improve system agility

Through AI-led platform engineering and data modernization, the initiative will help the organization enhance scalability, improve transaction experiences, and accelerate innovation across its financial services ecosystem.

AI-Native Cloud Modernization for Mortgage Services Platform

Industry: BFSI | **Region:** United States

Sonata secured a large transformation program with one of the largest mortgage servicers in the United States, which manages loans for more than 2.6 million customers.

The engagement positions Sonata as a strategic IT partner responsible for modernizing the client's correspondent lending technology platform.

Key initiatives include:

- Cloud modernization of the correspondent lender portal
- Migration toward an AI-native Loan Origination System (LOS)

- Ongoing support for existing operational platforms
- Technology innovation to improve digital mortgage servicing experiencesThis transformation will enable the organization to deliver faster, more efficient digital lending services while supporting long-term scalability.

Enterprise ERP Transformation with Dynamics 365

Industry: Enterprise Software / ECM | **Region:** Global | **Client HQ:** Europe

Sonata Software partnered with a Germany-based enterprise content management provider serving more than **15,000 global customers** to implement **Microsoft Dynamics 365 Finance & Operations.**

The program includes

- Implementation of Dynamics 365 Finance & Operations
- Deployment of Subscription Management and Project Operations capabilities
- Modernization of financial and operational workflows
- Integration of enterprise systems to support scalable business growth

The engagement highlights Sonata's expertise in enterprise platform modernization and its ability to deliver complex global ERP transformation programs.

AI-Powered Data and Analytics Platform for Life Sciences Innovation:

Industry: Healthcare & Life Sciences | **Region:** Global | **Client HQ:** Europe
A global life sciences organization selected Sonata Software to design and deploy an AI-powered data warehouse and analytics platform to support research, clinical development, and operational intelligence.

The solution includes:

- Development of a modern enterprise data warehouse
- Advanced analytics capabilities for research and operational teams
- Scalable data architecture to support life sciences innovation

By enabling real-time data access and advanced analytics, the platform will help the organization accelerate research insights, improve decision-making, and strengthen its data-driven innovation capabilities.

Building Frontier Firms for the AI-driven economy

Reimagining growth means building ecosystems that turn AI into sustainable, enterprise-scale impact. As we continue to expand our global partner network through joint AI solution development, industry-led innovation programs, and hyperscaler-led go-to-market initiatives, we help organizations embed intelligence across platforms, operations, and customer experiences.

Together with our partners, we are helping enterprises scale AI with confidence and lead in an intelligence-driven economy.





YEAR-IN-REVIEW

Operational Highlights

Winning Bigger, Scaling AI-Led Growth.

FY 26 marked a step-change in Sonata Software's growth trajectory, defined by larger deals, stronger pipelines, and accelerating enterprise demand for AI-led transformation

Large Deals Driving Momentum

Our growth is increasingly anchored in high-value, strategic engagements. These engagements go beyond standalone programs, and are long-cycle transformation partnerships involving:

- Platform modernization and enterprise applications
- AI-led automation and agentic architectures
- Data and analytics transformation
- Cloud-native engineering and managed services

More importantly, these wins are expanding into multi-tower engagements, strengthening long-term revenue visibility and client stickiness.

Pipeline Strength and Growth Visibility

This large-deal momentum is supported by a robust and expanding pipeline.

- Strong pipeline across AI, data, and cloud-led transformation programs
- Increasing share of large, multi-year enterprise deals
- Growing traction in Microsoft Fabric and next-gen data platforms

A key highlight is our Microsoft Fabric-led opportunity pipeline, which now stands at $31 million across 70+ clients, positioning Sonata at the forefront of AI-ready data transformation.

Today, Cloud and Data-led opportunities contribute nearly 60% of the pipeline, reflecting a structural shift toward AI-enabled enterprise architectures.

AI at the Core of Growth

Sonata's AI-led approach is driving impact across three dimensions:

- Operational efficiency through intelligent automation
- Customer experience transformation through AI-driven insights
- New revenue models powered by data and digital platforms

Our proprietary platform, Harmoni.AI continues to accelerate enterprise AI adoption, powering several large deal wins through:

- Generative AI accelerators
- AI-led engineering and testing frameworks
- Industry-specific AI solutions



In parallel, our investments in Agentic AI and small language models (SLMs) are enabling clients to move from automation to autonomous, decision-driven systems.

Microsoft Fabric: Building the AI Data Foundation

Sonata's strategic focus on Microsoft Fabric is emerging as a key growth lever.

As a Featured and Launch Partner, we are helping enterprises unify data, analytics, and AI on a single platform, laying the foundation for scalable, AI-first operations.

- $31M+ pipeline across 70+ clients
- Strong early wins and expanding enterprise adoption
- Deep alignment with Microsoft's AI ecosystem

This positions Sonata strongly in the next wave of data modernization, where AI outcomes are directly tied to data platform transformation.

Executing at Scale

Our ability to convert strategy into execution is reflected in:

- Expansion of large enterprise engagements across geographies
- Strengthened global delivery capabilities (Mexico, Poland, Egypt, Malaysia)
- Continued investment in AI, data, and engineering talent at scale

At the same time, customer trust remains a key growth multiplier:

- **CSAT: 4.3 / 5**
- **60%+ client promoters (NPS)**

These metrics reinforce Sonata's position as a long-term transformation partner, not just a technology provider.

Industry-Led, AI-Driven Growth

Our verticalized strategy continues to drive depth and differentiation:

- Healthcare & Life Sciences and BFSI expanding rapidly as high-growth segments
- Increasing demand for AI-led, industry-specific solutions
- Strong alignment between domain expertise and platform-led delivery

This ensures that AI transformation is not generic, but deeply contextual to industry needs and outcomes.

Reimagining Growth with AI

Sonata's FY 26 performance reflects a clear shift from participating in digital transformation to leading AI-led enterprise reinvention.

- Larger and more strategic deal wins
- A strong and visible pipeline
- Deep partnerships with hyperscalers
- Scaled investments in AI and data platforms

While we build the foundation for sustained, enterprise-scale growth, reimagining AI-led transformation no longer remains a vision. It is an executed engine through every large deal, every platform, and every modernization experience we deliver.



Financial Highlights

₹ in Lakhs

Key Financials	FY26	FY25	FY24	FY23	FY22
Net Sales	10,70,124	10,15,725	8,61,306	7,44,912	5,55,337
EBITDA	84,579	76,040	85,298	67,495	56,573
PAT	46,439	42,467	30,850	45,190	37,643
Net worth	1,90,463	1,70,594	1,40,629	1,30,065	1,09,920
Debt	56,820	44,156	67,430	49,358	3,800
Debtors	1,84,936	1,74,093	1,60,508	1,23,622	92,195
Cash	32,028	48,086	85,376	74,754	87,639
Per Share Ratio (₹)					
EPS*	16.74	15.30	11.12	16.29	13.59
DPS	7.90	4.40	7.90#	15.75	21.00
BVPS*	67.92	60.83	50.15	46.38	39.20
Margin Ratio (%)					
EBITDA Margin	8	7	10	9	10
Net Profit Margin	4	4	4	6	7
RoCE	28	23	23	38	38
RoE	27	27	20	35	37

*Figures for the FY 2023-24 has been reinstated due to issue of bonus shares.

#Post bonus issue.

Key Financials	FY26	FY25	FY24	FY23	FY22
Net Sales	**10,70,124**	**10,15,725**	**8,61,306**	**7,44,912**	**5,55,337**



Y-o-Y Growth: 5%

CAGR: 14%

Key Financials	FY26	FY25	FY24	FY23	FY22
PAT	46,439	42,467	30,850	45,190	37,643

PAT (₹ in Lakhs)



Y-o-Y Growth: 9% **5 year CAGR: 4%**

Key Financials	FY26	FY25	FY24	FY23	FY22
EBITDA	84,579	76,040	85,298	67,495	56,573

EBITDA (₹ in Lakhs)



Y-o-Y Growth: 11% **5 year CAGR: 8%**

Key Financials	FY26	FY25	FY24	FY23	FY22
RoCE	28	23	23	38	38

Return on Capital Employed (%)







CLIENT SPEAK

Client Appreciation

On behalf of the business, I want to extend our sincere appreciation for the outstanding work you have delivered. Your dedication and teamwork have made a significant impact, and we are truly grateful for your contribution.

Your proactive approach in building/ optimizing robust Fabric dataflows and insightful dashboards has significantly improved the efficiency and reliability of our reporting and analytics. We look forward to your continued excellence and collaboration.

Thank you once again for your outstanding work!

Senior Manager, *Enterprise Applications, A large specialty jewelry retail chain*

SONATA team is doing wonderful job. They have great technical intellect, and are improving a lot on governances, I am very satisfied with the overall service experience. There are a few areas that when actioned will make SONATA much better service provider.

Technical Product Manager*, A global consumer health, and personal care products company*

The team has been fantastic and having a good Manager and leadership support really make a difference. The team is proactive and motivated.

CIO*, A global fragrance compounds manufacturer*

Sonata is a great business with very talented individuals. Team working for us makes our processes and reviews seamless and is a blessing as Team's knowledge, skills, and professionalism are unmatched.

Executive Director of Innovation and Product Design*, A diversified design-build and general construction firm*

Our custom-built AI Agent, developed by Sonata, is purposefully designed to deliver real business value in targeted areas where generative AI can truly make an impact. We're also able to implement new models and features in days rather than months or quarters.

Employees are genuinely excited to work with an AI Digital Agent grounded in enterprise data, and their feedback has been overwhelmingly positive.

Senior Leader - AI, Automation & Innovation*, A kitchen essentials products company*

I wanted to highlight and thank the team for all their efforts in the initial go live of FAQ generator for Africa destinations and all subsequent releases.

This release with Agentic AI solutions, is looking really positive and have managed to get all Africa destinations live with the 9 original FAQ's. This and the first release are a massive milestone for the team and program of work to support us in scaling this going forward.

Massive thanks to the team!

Technology Lead - Analytics and AI, *A Large multinational leisure, travel and tourism company*

The overall service provided meets expectations, with consistent delivery and responsiveness. Continued focus on quality, code reviews, testing automation, and reduction of urgent post-deployment bugs will go a long way. That being said, I know the team is up to the challenge of making continual improvements and I understand that we have a very rapid-fire pace of deployments and that the bar is set very high. I am very proud of how much the team has accomplished over the years.

Manager- IT, *An American shipping and navigation services company*

I am overall satisfied with the team's performance. They have demonstrated reliability and built confidence that the business can expect timely and effective support. All members have established good relationships with business users.

***Head of IT (MOD)**, A Global Belting Solutions Company based in Europe*

Sonata demonstrates good customer focus and integrity. We've been able to work through many challenges and Sonata has been flexible and agile enough to avoid major problems.

***CIO**, A premier medical and mental healthcare provider*

Sonata team is very easy to work with and approaches everything with a solution mindset. Quality of professionals we received to support our work has been great in Phase 1. Commitment from all members of the Sonata team towards shared success has been great.

***Partner,** A global management consulting firm*

Sonata is a great business with very talented individuals. Teamwork for us makes our processes and reviews seamless and is a blessing as team's knowledge, skills, and professionalism are unmatched.

***Executive Director of Innovation and Product Design**, A diversified design-build and general construction firm*





STATUTORY REPORTS

About this Report

Over the past three decades, Sonata has had a single-minded focus on earning the respect of our stakeholders. This holistic appreciation of progress is inclusive of stakeholders, including clients, to communities, employees, suppliers, investors, and regulators.

The financial and statutory data disclosed in Sonata's reports meet the requirements of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Reporting Principles

Along with the framework, the report is in line with the applicable requirements and principles of the following:

- Companies Act, 2013 (and rules made there under).
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Secretarial standards issued by the Institute of Company Secretaries of India.
- Indian Accounting standards prescribed by the Institute of Chartered Accountants of India.
- The disclosures in the report also draw inspiration from the Global Reporting Initiative (GRI) framework and the principles of the United Nations Sustainable Development Goals (UN SDGs).

Reporting Scope and Boundary

This report covers the performance of all our business verticals across our global operations, including operations in over 18+ countries across the globe. Approach to Materiality This report presents our approach and performance on the issues material to us and our stakeholders. Our material topics cover key stakeholder concerns, which can substantially affect the organization's ability to create value over the short, medium, and long term. These have been identified based on our interactions with our internal and external stakeholders.



Corporate Information

BOARD OF DIRECTORS

Sanjay K Asher
Chairperson

S B Ghia
Director

Viren Raheja
Director

P Srikar Reddy
Executive Vice Chairman &
Whole-time Director

Surin Shailesh Kapadia
Director

Mona Ninad Desai
Director

KEY MANAGERIAL PERSONNEL

Jagannathan CN
Chief Financial Officer

Mangal Kulkarni
Company Secretary, Compliance Officer and Head-Legal

COMMITTEES OF THE BOARD

Audit Committee
Surin Shailesh Kapadia, Chairperson
Viren Raheja
Sanjay K Asher
Mona Ninad Desai

Stakeholders Relationship Committee
S B Ghia, Chairperson
P Srikar Reddy
Mona Ninad Desai

Nomination & Remuneration Committee
Surin Shailesh Kapadia, Chairperson
Viren Raheja
Sanjay K Asher

Corporate Social Responsibility Committee
Mona Ninad Desai, Chairperson
P Srikar Reddy
S B Ghia

Risk Management Committee
Surin Shailesh Kapadia, Chairperson
Viren Raheja
P Srikar Reddy

SOLICITORS

M/s Dua & Associates
M/s B C Prabhakar Associates
M/s Trilegal

AUDITORS

BSR & Co. LLP

INVESTOR QUERIES

investor@sonata-software.com

WEBSITE

www.sonata-software.com

BANKERS

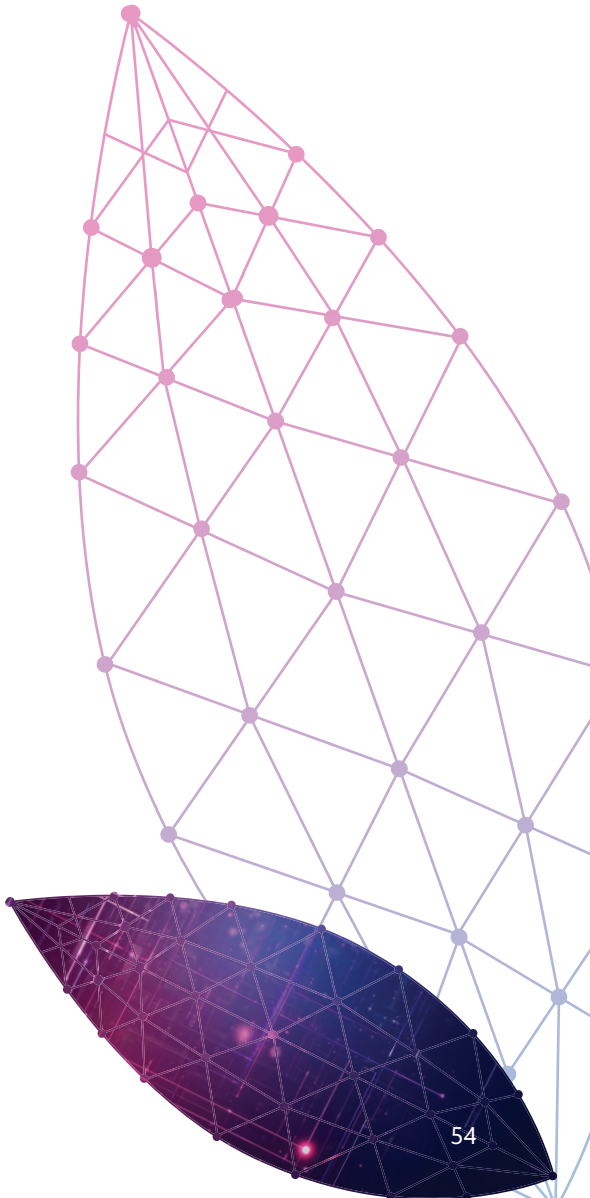
ICICI Bank
HDFC Bank
Axis Bank
Citibank NA
Standard Chartered Bank
HSBC Bank
Kotak Mahindra Bank
SBI
Canara Bank
Emirates NBD
Yes Bank
IndusInd Bank
Mizuho
DBS Bank

REGISTERED OFFICE

Sonata Software Limited
208, T V Industrial Estate,
2nd Floor, S K Ahire Marg,
Worli, Mumbai 400 030, India.
Email: info@sonata-software.com

CORPORATE OFFICE

Sonata Software Limited
Tower-A, Sonata Towers,
Global Village
(Sattva Global City),
RVCE Post, Kengeri Hobli,
Mysuru Road,
Bengaluru 560 059, India.
Email: info@sonata-software.com



Subsidiary Companies and their Registered Offices

Sonata Information Technology Limited
208, T V Industrial estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai – 400030, India
Email: info@sonata-software.com

Sonata Software Solutions Limited
208, T V Industrial estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai – 400030, India
Email: info@sonata-software.com

Sonata Software North America Inc.
39899 Balentine Drive, Suite 200, Newark, California 94560, USA
Email: info@sonata-software.com

Sonata Latin America S. de R.L. de C.V.
Buenos, Aires 2970, 6 AV, Terranova Quebec, Providencia 4A SECCIONC.P 44639, Guadalajara, Mexico
Email: info@sonata-software.com

Sonata Software Canada Limited
13571 Commerce Parkway, Richmond, BC V6V 2R2, Canada
Email: info@sonata-software.com

Sonata Europe Limited
3rd Floor, The Mille, 1000 Great West Road, Brentford, London - TW8 9DW, United Kingdom
Email: info@sonata-software.com

Sonata Software Intercontinental Limited
22 Northumberland Road, Ballsbridge, Dublin 4, Ireland
Email: info@sonata-software.com

Sonata Software Gmbh
Beethovenstraße, 60325 Frankfurt Am Main, Germany
Email: info@sonata-software.com

Sonata Australia Pty Ltd.
PO Box 892, Spring Hill QLD 4004, Brisbane, Australia
Email: info@sonata-software.com

Sonata Software Worldwide Malaysia Sdn. Bhd.
No. 29-4 & 31-4, Dataran Prima, Block F2, Jalan PJU 1/42A, 47301 Petaling Jaya, Selangor, Malaysia
Email: info@sonata-software.com

Sonata Software Malaysia Sdn. Bhd.
Symphony Square, 16th Floor, Unit 2, 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
Email: info@sonata-software.com

Sonata Software Malaysia Sdn. Bhd., Malaysia
No. 3-14 (3rd Floor), Jalan Kasturi 1, Taman Kasturi, Off Jalan Balakong, Batu 11, 43200 Chelas Selangor, Malaysia
Email: info@sonata-software.com

Sonata Software Japan KK
LAMONTEII-5F, Kasuga 1-8-29, Nishi-ku, Kumamoto City, Kumamoto 860-0047, Japan
Email: info@sonata-software.com

Sonata Software (Shanghai) Co., Ltd.
Suite 40111, Level 40, One Museum place, No 669, Xinzha Road, Jing An District, Shanghai, China
Email: info@sonata-software.com

Sonata Software (Qatar) LLC.
Office 543, Regus Business Centre, 5th Floor, GathBuilding, Fereej Bin Mahmood South Near Ramada Junction P.O Box 47095 Doha, Qatar
Email: info@sonata-software.com

Sonata Software Solutions, Egypt
Office no. 318-319, In Center Building 4 - Fourth Floor - Arkan Plaza -, Sheikh Zayed - Plot 31 in front of Zayed Compound - 2000 Giza, Egypt
Email: info@sonata-software.com

GAPbuster Inc.
Corporation Trust Center 1209 Orange ST, Wilmington, New Castle, DE 19801, USA
Email: info@sonata-software.com

GAPbuster Worldwide Pty Ltd.
Level 4, 99 Queensbridge St, Southbank, Melbourne, VIC 3006, Australia
Email: info@sonata-software.com

Encore I.T. Services Solutions Private Limited
HTC Tower, 41, GST Road, Guindy, Chennai, Tamil Nadu - 600032, India
Email: info@sonata-software.com

Sonata Software Technology Private Limited (Formerly Quant Cloud Solutions Private Limited)
19th Floor, Vamsiram – Suvarna Durga Tech Park, Survey No. 142, Nanakramguda, Financial District, Serilingampally, Ranga Reddy, Hyderabad-500032, India
Email: info@quantsystemsinc.com

Sonata Software Solutions North America Inc. (Formerly Quant Systems Inc.)
3100 Olympus Blvd Suite 480, Coppell, TX 75019, USA
Email: info@quantsystemsinc.com

Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC)
Km 0.5 Ctra. Mérida – Motul Plaza Gran Saudela C.P. 97305, Mérida,Yucatán, México
Email: info@quantsystemsinc.com

Woodshed LLC
6320 Linden Lane, Mound, Minnesota 55364, USA
Email: info@quantsystemsinc.com

Company Offices

North America

Sonata Software Limited, NJ Branch
2 Tower Center Blvd 16th floor Suite 1603, East Brunswick, NJ 08816, USA
Email: info@sonata-software.com

Sonata Software North America Inc.
2002 156th Avenue NE, Suite 201, Bellevue, WA 98007, USA
Email: info@sonata-software.com

Sonata Information Technology Limited, NJ Branch
2 Tower Center Blvd 16th floor Suite 1603, East Brunswick, NJ 08816, USA
Email: info@sonata-software.com

Sonata Software North America Inc, Canada Branch
55 York Street, Suite 401 Toronto, Ontario, M51 1R7, Canada
Email: info@sonata-software.com

UK

Sonata Software Limited, UK Branch
3rd Floor, The Mille, 1000 Great West Road, Brentford, London - TW8 9DW, United Kingdom
Email: info@sonata-software.com

Sonata Information Technology Limited, UK Branch
3rd Floor, The Mille, 1000 Great West Road, Brentford, London - TW8 9DW, United Kingdom
Email: info@sonata-software.com

Europe

Sonata Software Solutions Limited, Poland Branch
Nowogrodzka, no. 50/54, lok. 515, Warsaw, 00-695, Poland
Email: info@sonata-software.com

ANZ

Sonata Software Limited, Australia Branch
Level 20, Tower A, 821, Pacific Highway, Chatswood, Sydney, NSW 2067, Australia
Email: info@sonata-software.com

Sonata Information Technology Limited, Australia Branch
1639, Level 16, Space 1, Denison Street, North, Sydney, NSW 2060, Australia
Email: info@sonata-software.com

GAPbuster Worldwide Pty Ltd, Taiwan Branch
7, Building 12, 155, Section 1, Keelung Road, Shinyi Chiu, Taipei 110, Taiwan
Email: info@sonata-software.com

Asia Pacific

Sonata Information Technology Limited, Singapore Branch
#19-03 High Street Centre, 1 North Bridge Road, Singapore 179094
Email: info@sonata-software.com

Sonata Software Limited, Singapore Branch
#19-03 High Street Centre, 1 North Bridge Road, Singapore 179094
Email: info@sonata-software.com

Sonata Information Technology Limited
A/503, Kanakia Wall Street, Chakala Junction, Andheri East, Mumbai - 400093, India
Email: info@sonata-software.com

Sonata Information Technology Limited
Plot /Shed No. C46A, Thiru Vi Ka Industrial Estate, Alandur Guindy Taluk Village, Guindy Taluk, Chennai - 600032, India
Email: info@sonata-software.com

Sonata Information Technology Limited
Suite No. N 215, Ideal Plaza, 11/1, Sarat Bose Road, Kolkata - 700020, India
Email: info@sonata-software.com

Sonata Information Technology Limited
24, First Floor, Okhla Industrial Estate Phase III, New Delhi - 110020, India
Email: info@sonata-software.com

Sonata Information Technology Limited
Koncord, 2nd floor Koncord, Bund Garden, Sangamvadi, Pune - 411001, India
Email: info@sonata-software.com

Sonata Information Technology Limited
VSD TECH PARK, West Block, Survey No 142, Nanakramguda Village, Seriligampally Mandal, Ranga Reddy District, Telangana, India
Email: info@sonata-software.com

Sonata Software Limited
VSD TECH PARK, West Block, Survey No 142, Nanakramguda Village, Seriligampally Mandal, Ranga Reddy District, Telangana, India
Email: info@sonata-software.com

Sonata Software Malaysia SDN. BHD., Malaysia
Office Suite Lot 02-16, 16th Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
Email: info@sonata-software.com

Sonata Software Limited
208, T V Industrial estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai – 400030, India
Email: info@sonata-software.com

Sonata Information Technology Limited
208, T V Industrial estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai – 400030, India
Email: info@sonata-software.com

Sonata Software Solutions Limited
208, T V Industrial estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai – 400030, India
Email: info@sonata-software.com

Management Discussion and Analysis

This Management Discussion and Analysis (MD&A) pertains to Sonata Software Limited (Sonata, or the Company) and its subsidiaries on a consolidated basis, unless otherwise stated. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Indian Accounting Standards specified under Section 133 and other relevant provisions of the Companies Act, 2013, as applicable. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect, in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs and profits for the year.

Introduction

In FY 26, despite macro- and industry-level headwinds, Sonata Software continued to make strides toward our long-term ambition—to be a differentiated Modernization Engineering firm powered by Platformation™, AI, and modern technologies.

Opportunities remained buoyant for Modernization Engineering and our big bets—AI and Microsoft Fabric. We continued to win large deals, added marquee logos, and our Invest Verticals—Healthcare and Life Sciences (HLS) and Banking, Financial Services and Insurance (BFSI)—delivered promising growth.

In addition, our India business (SITL) is making strong progress across three strategic growth pillars:

1. Expand the Microsoft Channel with a sharper focus on the SMC segment, including the incubation of our new Sonata-on-Cloud (SoC) offering.

2. Broaden partnerships with other ISVs, expanding beyond the three hyperscaler CSPs.

3. Win large System Integration (SI) deals.

These strategic bets are core to building a more diversified, resilient, and future-ready business.

Sonata Software continued to achieve an impressive, aggregated Customer Satisfaction (CSAT) score.

Our deep collaborations with hyperscalers like Microsoft, AWS, Salesforce, and Snowflake have enabled us to deliver cutting-edge AI solutions for clients.

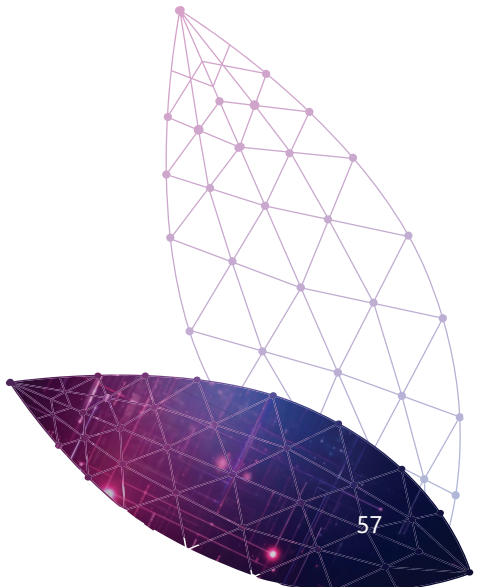
While Sonata continued to remain a proud member of Microsoft Inner Circle and the Partner AI Council, it is now among the first companies to be recognized as a Microsoft Frontier Partner and has received the official Microsoft Fabric Featured Partner badge as well.

With respect to AWS, Sonata Software is now an AWS Premier Tier Services Partner—the highest level of recognition in the AWS Partner Network. Achieving AWS Gen AI Competency Partner status is no less a feat either.

Sonatians remain our biggest asset. During FY 26, we continued to make significant strides in training and development; as a result, more than 90% of our workforce is AI-capable, ready to partner with our customers and internal stakeholders in their AI journey. We also remained steadfast in our commitment to Diversity and Inclusion.

Sonata Software was recognized among the Best Companies APAC 2026. Besides, it bagged two prestigious awards at the CII AI Summit and Awards 2025 gala and also won the ET Now Best Organizations to Work 2025 award.

We remain committed to conducting business in a socially, economically, and environmentally responsible manner while considering the interests of all stakeholders, including the wider community.



Global Macro Economic Outlook

The global macro environment is characterized by resilient but slowing growth, persistent inflation, and escalating geopolitical tensions that have brought renewed uncertainty to markets. The post-pandemic recovery has matured into a more constrained phase, defined by higher real interest rates, reduced fiscal flexibility, and a shift toward structural "friendshoring" in global trade.

- Morgan Stanley

Key pillars of the 2026 global macro environment include:

- **Geopolitical Conflict Dominance:** Rising geopolitical tensions, particularly conflicts in the Middle East causing energy price shocks and supply chain disruptions, have become the top risk to the global economy.
- **Diverging Monetary Policy:** Central banks are moving along different paths. The U.S. Federal Reserve has initiated an easing cycle (rate cuts) to support a slowing labor market, while Japan is tightening policy, and the European Central Bank (ECB) remains on hold.
- **Sticky Global Inflation:** Global inflation is easing slowly but remains sticky, particularly in the U.S. and the U.K., due to tariff impacts and tight labor markets.
- **AI-Driven Productivity & Polarization:** Artificial Intelligence investment continues to be a major economic driver, particularly for the U.S., acting as a "shock absorber" and enhancing productivity, yet widening the economic gap between AI-exposed sectors and the rest of the economy.
- **Fiscal Constraints & Debt:** Governments face limited space for stimulus due to high debt-to-GDP ratios, shifting from post-pandemic spending to structural investments in defense and green energy.

Key Technology Trends in 2026

Technology is shifting from AI experimentation to agentic, physical, and specialized systems that drive operational value. Key trends include autonomous AI agents, "Physical AI" (humanoid robots), AI-native software development, and specialized, energy-efficient infrastructure. AI-driven cybersecurity and sovereign cloud technologies will also be critical to managing new risks.

1. Agentic AI and Autonomous Agents

AI in 2026 moves beyond chatbots to "agentic" systems capable of reasoning, planning, and taking autonomous actions to achieve goals. These systems, or multi-agent systems (MAS), interact to complete complex, multi-step business processes, making traditional AI assistants seem outdated.

2. Physical AI and Robotics

Artificial intelligence is moving into the physical world, with humanoid robots transitioning from lab environments to practical, enterprise-level industrial applications. This "Physical AI" enables robots to navigate complex, unstructured environments for logistics, manufacturing, and maintenance.

3. AI-Native Development Platforms

Software development is undergoing a transformation where Generative AI is used to build, test, and update applications, leading to faster development cycles and "intent-driven" software creation.



4. The AI Infrastructure Reckoning

Organizations are moving away from generic large language models (LLMs) toward domain-specific language models (DSLMs) for better accuracy. This requires new, specialized AI supercomputing platforms integrating CPUs, GPUs, and custom AI chips to manage compute costs and efficiency.

5. Pre-emptive Cybersecurity and Digital Provenance

As AI adoption grows, security platforms are becoming specialized to protect against AI-specific threats, including prompt injection attacks. Additionally, tools to verify "digital provenance"—ensuring the authenticity of content in an AI-generated world—are becoming essential.

6. Sustainable & Sovereign Tech

Sustainability is a core focus, with AI increasingly used to optimize energy consumption, and data centers adopting greener technologies. Simultaneously, "tech sovereignty" is driving organizations to build resilient, regional tech stacks to handle geopolitical challenges.

7. High-Growth Tech Areas in 2026

• Generative AI: Continued adoption with 78% expected growth in investment.

- Agentic AI: Rapidly maturing with 65% projected growth.
- Edge Computing: Crucial for providing real-time intelligence for IoT devices.

Worldwide IT Spending Forecast—2026

(Billions of U.S. Dollars)

Category	2025 Spending	2025 Growth (%)	2026 Spending (Predicted)	2026 Growth (%)
IT Services	1,717.6	6.4	1,866.9	8.7
Data Centre Systems	496.2	48.9	653.4	31.7
Devices	788.3	9.1	836.4	6.1
Software	1,249.5	11.5	1,433.6	14.7
Communications Services	1,303.7	3.8	1,365.2	4.7
Overall IT	5,555.3	10.3	6,155.5	10.8

Source: Gartner, Worldwide IT Spending Forecast, Feb 3, 2026

- Hyperautomation 2.0: Combining RPA (Robotic Process Automation) and AI for end-to-end automation.
- Extended Reality (XR): Transforming corporate training and remote collaboration.

Overall IT spending surpasses $6.15T, growing **10.8% YoY,** the strongest expansion since pre-pandemic years [gartner.com]

- Data Center Systems remain the fastest-growing segment, driven by AI-optimized servers and hyperscaler demand (31.7% growth) [gartner.com]
- Software growth accelerates to 14.7%, largely due to GenAI features being embedded into existing enterprise platforms [gartner.com]
- Devices growth moderates (6.1%) as AI-PC demand is offset by higher memory prices and longer replacement cycles [gartner.com]
- IT Services rebound to 8.7% growth as enterprises shift from experimentation to large-scale AI and cloud execution

Gartner based view of AI related IT spending trends—what's growing, how fast, and where the money is actually going as we move through 2025 → 2026.

Direct AI Spending (Explicit AI Categories)

Generative AI Models & Platforms

- **GenAI model spending growth (2026): ~80.8% YoY**
- GenAI models are the **fastest growing sub segment in all of IT**
- AI model costs (APIs, licensing, training, tuning) are increasingly embedded into enterprise software contracts rather than standalone purchases [gartner.com]

Trend:

AI spending is shifting from experimentation to **recurring operational cost,** especially model usage, fine tuning, and data governance.

1. AI Driven Infrastructure Spending

(Biggest Money Flow)

A. Data Center Systems

(AI Infrastructure Core)

Metric	2025	2026
Spending	~$496B	**~$653B**
Growth	48.9%	**31.7%**

- Growth driven by - AI optimized servers (GPU / accelerator heavy), Hyperscaler build out for AI workloads and Enterprise AI clusters (on prem + private cloud)
- Server spending alone is projected to grow ~36.9% YoY in 2026 [gartner.com]

Trend:

AI infrastructure—not software licenses—is currently the **largest AI cost driver** in absolute dollars.

B. AI Optimized Cloud & IaaS

- Enterprises expected to spend >$37B annually by 2026 on AI optimized infrastructure as a service (AI IaaS)
- Includes:
  - GPU backed instances, Model hosting platforms and AI native data services [ciodive.com]



2. AI Driven Software Spending

A. Software

(AI Embedded Everywhere)

Metric	2025	2026
Spending	~$1.25T	**~$1.43T**
Growth	11.5%	**14.7%**

- Growth fueled by: GenAI features added to existing software (not optional add ons anymore), AI copilots bundled into productivity, ERP, CRM, DevOps tools
- Software growth is now **structurally higher** due to AI feature pricing [gartner.com]

Trend:

Enterprises are paying more for software they already own—because AI is baked in.

3. AI Influenced IT Services

A. IT Services (Implementation, Integration, Ops)

Metric	2025	2026
Spending	~$1.72T	**~$1.87T**
Growth	6.4%	**8.7%**

- AI services driving growth: AI strategy & operating model design, Model integration & orchestration and Data engineering, AI governance, MLOps
- Shift from advisory → l**arge scale execution** projects [gartner.com]

4. Devices & Edge AI

A. AI Enabled Devices

Metric	2026 Spending	2026 Growth
Devices	~$836B	**6.1%**

- AI PCs, smartphones, and edge devices contribute **>$30B incremental spend**
- Growth moderates as demand was pulled forward in 2025 [gartner.com]

Trend:

AI devices matter—but **infrastructure and software dwarf them** in spend.

5. Big Picture: How Much of IT Spend Is AI Driven?

- Overall IT spending (2026): ~$6.15T
- Gartner indicates AI is a primary or significant driver of:
  - Most data center growth
  - Over half of incremental software spend
  - A rising share of IT services growth [gartner.com]



Verticals & Markets

Winning in Priority Industries

As enterprises prioritize partners who can solve core business challenges through AI, data, and cloud, AI-led growth is increasingly being shaped by industry-specific transformation. This momentum is reflected in large, strategic deal wins across key industries, demonstrating Sonata's ability to combine deep domain expertise with AI-led execution to deliver measurable business impact on scale.

Invest Verticals

Scaling High-Growth, AI-First Industries

Banking, Financial Services & Insurance (BFSI)

Focus: Platform modernization and AI-driven financial ecosystems

Sonata is helping financial institutions modernize core platforms and unlock real-time data intelligence.

- Large deal: Global fintech platform transformation
  - **Modernization of digital checkout and DNA banking platform**
  - **Unified experiences across Teller, Front Office, and Back Office**
  - **Improved scalability and faster product innovation**
- Large deal: Cloud transformation for a leading U.S. mortgage servicer
  - **Migration to AI-native Loan Origination System (LOS)**
  - **Modernization of correspondent lender platform**
  - **Ongoing platform engineering and operations**

Impact: Faster innovation cycles, improved customer experience, and scalable digital banking platforms.

Healthcare & Life Sciences (HLS)

Focus: IT modernization and AI-enabled healthcare operations

Sonata is enabling healthcare organizations to modernize infrastructure and improve service delivery through AI-led automation.

- Large deal: End-to-end IT transformation for a U.S. diagnostics provider
  - **Full IT infrastructure outsourcing across business lines**
  - **Introduction of AI and agentic automation**
  - **Improved operational efficiency across healthcare delivery**
- Large deal: AI-powered data platform for a global life sciences firm
  - **Enterprise data warehouse and analytics platform**
  - **Real-time insights for research and operations**
  - **Scalable architecture for innovation**

Impact: Reduced operational complexity, improved care delivery, and accelerated research outcomes.



Harvest Verticals

Scaling Proven Capabilities Across Industries

Technology, Media & Telecommunications (TMT)

Focus: Platform engineering, customer experience, and enterprise IT operations

Sonata continues to scale large, multi-tower engagements across global technology enterprises.

- Large deal: AI-led customer experience transformation for a global technology leader
  - **Multilingual global support across products**
  - **AI-driven automation for service operations**
  - **Improved responsiveness and customer satisfaction**
- Large deal: Enterprise platform modernization for a global TMT company
  - **Platform engineering, data services, and cybersecurity**
  - **Support across Workday, Salesforce, and enterprise systems**

Impact: Scalable global platforms, improved service delivery, and stronger operational resilience.

Retail, Manufacturing & Distribution (RMD)

Focus: Platform modernization and operational efficiency

Sonata is helping enterprises modernize core business platforms and scale global operations.

- Large deal: Microsoft Dynamics 365 transformation for a European enterprise
  - **Implementation of Finance & Operations platform**
  - **Deployment of subscription management and project operations**
  - **Modernization of financial and operational workflows**

Impact: Standardized global operations, improved financial visibility, and scalable enterprise platforms.

Data & AI Across Verticals

A Horizontal Growth Driver

Data modernization and AI are central to every large deal.

- Large deal: Data and platform modernization for a global fintech
- Large deal: Enterprise data platform for life sciences

In FY 26:

- ~60% of pipelines are driven by Cloud and Data opportunities
- Strong momentum in AI-led analytics and platform transformation



Geographic Momentum

Scaling Across Global Markets

Sonata continues to expand its presence across key regions:

- North America: Strong traction in BFSI and Healthcare (multiple large deals)
- Europe: Enterprise platform transformation and growing Microsoft ecosystem play
- APAC & ANZ: Increasing demand for AI-led modernization and data platforms

Global delivery centers in Poland, Mexico, Egypt, and Malaysia are enabling scalable execution across regions.

Microsoft Ecosystem as a Growth Catalyst

Our deep partnership with Microsoft continues to drive large deal wins and pipeline growth.

- Strong traction in Dynamics 365, Azure, and data platforms
- Growing Microsoft Fabric pipeline ($31M across 70+ clients)
- Integration with Harmoni. AI to accelerate enterprise AI adoption

Scaling the Next Wave of Frontier Firms

As enterprises accelerate toward AI-first operating models, industry depth will be the defining driver of sustained growth. Sonata's focused vertical strategy, backed by strong momentum and execution at scale, positions us to lead this shift.

By continuing to invest in high-growth sectors and expanding large, multi-year engagements, we are building long-term partnerships that go beyond transformation programs to shape organizations designed for continuous innovation, intelligent operations, and scalable growth. The next phase of growth will be defined by those who can combine domain expertise with AI at scale, and Sonata is well-positioned to lead that journey.



Operational Review

International Business

Scaling AI-Led Transformation Globally

Sonata Software's international business continues to gain strong momentum as enterprises across industries accelerate their shift toward AI-driven operating models. Organizations are increasingly seeking partners who can modernize platforms, unlock data intelligence, and embed automation across core business operations.

In FY 26, Sonata secured multiple large strategic engagements across North America and Europe, reflecting growing demand for AI-led modernization, platform transformation, and enterprise-scale cloud adoption. These deals span key industries including Technology, Banking and Financial Services, and Healthcare & Life Sciences, reinforcing Sonata's position as a trusted global transformation partner.

Through its global delivery model, domain expertise, and AI-led engineering capabilities, Sonata is helping organizations modernize complex technology environments, enabling faster innovation and smarter decision-making.

AI-Led Transformation Across Industries

Sonata's international growth is increasingly driven by industry-focused transformation programs that combine platform modernization, data engineering, and intelligent automation.

Large Deal 1

Technology: Enhancing Global Customer Experience

A global technology leader partnered with Sonata to deliver AI-driven customer experience and support services across its global product portfolio. The engagement focuses on strengthening global service operations and enabling scalable and responsive support across multiple markets.

The scope of the engagement includes:

- Proactive and reactive technical product support across global markets
- Program management and service governance
- Multilingual service delivery across multiple geographies
- Integration of automation and AI-driven service frameworks

By embedding automation and AI into service operations, Sonata is helping the client improve response times, enhance customer satisfaction, and scale global support capabilities.



Large Deal 2

Healthcare & Life Sciences: Modernizing Healthcare Infrastructure

A leading US-based bedside diagnostics and clinical services provider selected Sonata as a strategic partner for end-to-end IT infrastructure outsourcing and transformation. The program focuses on modernizing the organization's technology landscape and improving efficiency across its healthcare service delivery ecosystem.

The engagement includes:

- End-to-end management of the client's IT infrastructure environment
- Infrastructure services across multiple healthcare business units
- Integration of AI-led automation and agentic capabilities into IT operations
- Continuous technology modernization and operational optimization

Through this transformation, Sonata is enabling the organization to modernize its IT environment while improving operational efficiency and supporting innovation in healthcare delivery.

Large Deal 3

Banking & Financial Services: Platform and Data Modernization

A major global fintech and payments technology company partnered with Sonata to modernize its digital platforms and data infrastructure as part of a large-scale transformation program. The engagement aims to enhance product scalability while improving user experiences across the organization's financial services ecosystem.

The scope of the engagement includes:

- Development and support of a digital checkout platform
- Modernization of legacy banking and payments platforms
- Transformation of the DNA banking platform architecture
- Unification of user experiences across Teller, Front Office, and Back Office systems

By modernizing platform architecture and removing embedded business logic from the UI layer, Sonata is enabling faster product innovation, improved system scalability, and a more agile financial services environment.

Large Deal 4

Financial Services: Cloud Transformation for Mortgage Services

One of the largest mortgage servicers in the United States, managing loans for more than 2.6 million customers, selected Sonata as a strategic partner for AI-led cloud modernization. The transformation focuses on modernizing the organization's digital lending ecosystem while enabling greater platform agility.

The engagement includes:

- Modernization of the correspondent lender portal
- Migration toward an AI-native Loan Origination System (LOS)
- Cloud-native architecture development and platform transformation
- Ongoing platform operations and support services

Through this program, Sonata is helping the organization modernize its lending technology environment while enabling faster innovation and improved customer experiences across mortgage services.

Large Deal 5

Enterprise Applications: Enterprise Platform Transformation in Europe

A Germany-based enterprise content management provider serving more than 15,000 global customers partnered with Sonata Software to implement Microsoft Dynamics 365 Finance & Operations as part of its enterprise platform modernization initiative.

The transformation includes:

- Deployment of Subscription Management capabilities
- Implementation of Project Operations functionality
- Modernization of financial and operational workflows
- Enterprise platform transformation using Microsoft Dynamics 365

Sonata secured the engagement through its deep Dynamics 365 expertise, impactful architecture demonstrations, and strong delivery references. A partnership-based engagement model, competitive pricing structure, and agile, customer-centric sales approach further strengthened the collaboration and positioned Sonata as a long-term strategic transformation partner.



Large Deal 6

Healthcare & Life Sciences: Data and Analytics Modernization

A global life sciences organization with a strong European presence selected Sonata to build an AI-powered enterprise data warehouse and analytics platform. The initiative focuses on strengthening the organization's ability to leverage data for research, clinical development, and operational decision-making.

The engagement includes:

- Development of an enterprise-scale data warehouse platform
- Implementation of advanced analytics capabilities
- Creation of a scalable, cloud-ready data architecture
- Enablement of real-time data insights across research operations

By modernizing the client's data ecosystem, Sonata is enabling faster insights, improved analytics capabilities, and accelerated innovation across life sciences research and development programs.

Large Deal 7

Technology, Media & Telecommunications: AI-Led Platform Modernization

Sonata Software secured a strategic engagement with a leading American Technology, Media, and Telecommunications enterprise to support AI-led platform modernization and enterprise technology operations across its global business.

As the preferred technology outsourcing partner, Sonata will deliver a broad range of enterprise technology services, including:

- Platform engineering and modernization initiatives
- Data services and IT support across enterprise systems
- Management and enhancement of the Learning Management System (LMS) platform
- Enterprise application support across Workday HR & Finance and Salesforce CRM
- Strengthening cybersecurity capabilities across global operations

Through this engagement, Sonata is helping the client modernize its enterprise technology ecosystem, streamline platform operations, and strengthen operational resilience across 30+ countries worldwide.

Strengthening Global Delivery Capabilities

To support growing international demand, Sonata continues to expand its global delivery footprint. The establishment of a **nearshore delivery center in Kraków, Poland,** strengthens the company's ability to deliver cloud modernization, AI transformation programs, and enterprise platform engineering for clients across Europe and North America.

This hub enhances Sonata's ability to combine regional expertise with global delivery scale, enabling faster project execution and closer collaboration with international clients.

Driving the Next Wave of Enterprise Transformation

Across industries and geographies, enterprises are increasingly investing in large-scale transformation programmes that combine **AI, data, and cloud modernisation** to unlock new business capabilities.

Sonata Software's international business is focused on delivering these programs at scale, modernizing enterprise platforms, enabling intelligent automation, and helping organizations build operating models designed for the AI-driven economy.

As global demand for AI-led transformation continues to grow, Sonata remains committed to helping enterprises move faster, innovate continuously, and compete in an increasingly intelligent digital landscape.



India Business

Despite a challenging operating environment, Sonata Information Technology Limited (SITL) delivered a stronger-than-expected performance for the year, demonstrating the resilience of our business model and the depth of our customer relationships.

The year presented a significant headwind when one of our major OEM partners departed from its long-established practice of transacting exclusively through channel partners, moving instead to direct billing for certain large enterprise customers in India. This resulted in SITL losing one of its largest accounts to OEM direct engagement. Recovery was swift and broad-based, driven by expansion into the Small & Medium Corporate segment, new logo wins, and a strengthened focus on Infrastructure and Managed Services, enabling SITL to close the year back on a strong growth trajectory.

Throughout this period, our performance remained anchored in three core pillars: customer-centricity, disciplined business management, and a sustained commitment to innovation across Artificial Intelligence, Cybersecurity, and Multi-Cloud Infrastructure Management. These capabilities have increasingly positioned SITL as a trusted digital transformation partner to our enterprise customers.

As we move into the next phase, our priorities are clearly defined. AI, Modernization and Multi-Cloud Managed Services form the engines of our growth strategy, with a sharp focus on improving our services revenue mix to drive enhanced profitability. We are actively working to increase services attach rates across our existing customer base — unlocking incremental value from relationships we have already built, while simultaneously introducing new service lines that address emerging customer needs.

Our existing customer base remains one of our most significant strategic assets.

By deepening engagements, expanding scope, and moving up the value chain from transactional software sales to managed and value-added services, we are improving both the quality and predictability of our revenues.

On the AI front, SITL is evolving from a technology reseller to a Strategic Enterprise AI Transformation partner. We are supporting customers in scaling AI adoption responsibly, developing secure and sovereign AI solutions that bridge enterprise trust gaps, and deploying AI-native tools and autonomous agents. A consulting-led sales approach is also being embedded across our teams, equipping them to engage customers as AI advisors. Multi-Cloud Managed Services complements this by giving customers an integrated model for managing complex hybrid infrastructure environments. Backed by strong governance principles and a clear strategic vision, SITL is well positioned to lead as a trusted AI and infrastructure partner, remaining essential to our clients as the technology landscape continues to evolve.

Some of our major wins across hybrid & multi-cloud management are described below:



Case Study 1: Hybrid Cloud Management Services for a major Retailer

One of India's largest retail chains has partnered with Sonata to manage its DC (VMware), Cloud (Azure), End User Compute platforms (M365, SCCM), and Identity Access Management platform (Entra, AD).

Client's Objective

- Enhance Security Posture across Azure Cloud & Microsoft 365
- Streamline the Cloud Platform to reduce Cost
- Increase and manage Compliance across Cloud & DC Platforms

Sonata's Approach

- Brought in a unified observability across DC & Cloud
- Brought in process & lifecycle Automation to increase compliance
- Introduced FinOps tools and processes for regular Cloud Optimization
- Enhanced documentation and visibility for the Cloud Infrastructure
- Managed third party (Veeam) Backup platform
- Identified repeating incidents, recommended long term fixes and remediated
- Focused on increasing the stability of major workloads and reducing incidents for the same.
- Assessed Business Continuity Strategy and execute drills for major workloads

Outcomes Delivered

- 20%+ savings achieved
- Security score increased from 40 to 85+
- Major incident reduction by 80%

Case Study 2: Multi-Cloud Managed Services for a large BPM provider

A leading Indian Business Process Management company partnered with Sonata for managing their multi-cloud management platform (Azure, AWS, GCP), which included a heterogeneous ecosystem including VMware on AWS, Nutanix on Azure, Citrix VDI on Azure, native VDI Platforms.

Client's Objective

Streamline operations for an extremely heterogeneous environment by bringing in standardization in process, environment visibility, security posture, patch compliance, cost management, chargeback and show back.

Sonata's Approach

- Brought in unified observability across all platforms through a single pane of view
- Discovered of entire multi-cloud landscape
- Assessed and create a plan for Security Posture enhancement
- Reviewed major incidents in the past 3 months and identify root cause to reduce major incidents
- Performance Fine-tuning for major workloads to improve end user experience
- Created a platform simplification roadmap for simpler management and lower operational overheads
- Delivered FinOps services including tools, processes and optimization for lowering cost

Outcomes Delivered

- 15%+ savings achieved
- Security score increased by 50%
- Major incident reduction by 65%

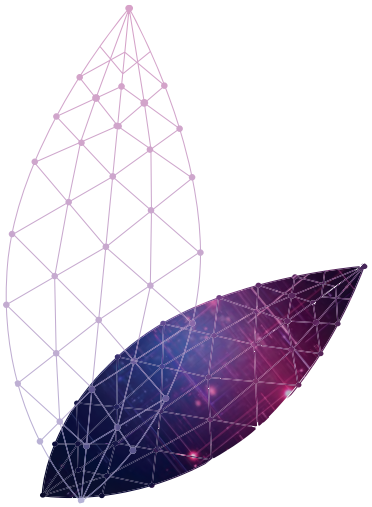


Customer Delight Through Delivery Excellence

Delivering exceptional customer experiences continues to be the relentless focus of our strategy. In FY 26, **Sonata achieved an impressive, aggregated Customer Satisfaction (CSAT) score of 4.3 out of 5, with 90% of clients rating us 4 or higher,** and more than **40% awarding a perfect score of 5/5.**

Further reinforcing this achievement, our **Net Promoter Score (NPS) survey,** conducted by an independent professional research firm, revealed that **over 65% of client stakeholders are strong promoters of Sonata** and would readily recommend our services. By placing client needs at the centre, we continue to drive meaningful outcomes and sustained value creation.

In 2025, Sonata also successfully completed an **Integrated Management System (IMS)** Audit, earning multiple globally recognized certifications that demonstrate our focus on quality, security, resilience, and sustainability. These certifications affirm our dedication to maintaining high service quality, safeguarding client data, ensuring operational resilience, and optimizing certification costs.



- ISO 9001 - Quality Management System (QMS): Ensures consistent delivery of high quality products and services through effective process management and continuous improvement.
- ISO 20000 1 - IT Service Management System (ITSMS): Demonstrates the ability to deliver and manage IT services efficiently in alignment with business and customer requirements.
- ISO 27001 - Information Security Management System (ISMS): Assures protection of customers, employees, and partners data.
- ISO 27701 - Privacy Information Management System (PIMS): Establishes a structured framework for protecting personal data and meeting global privacy and data protection obligations.
- ISO 22301 - Business Continuity Management System (BCMS): Confirms organizational readiness to maintain critical operations and service continuity during disruptions.

The following certifications reflect our commitment to sustainable growth and to maintaining the health and safety of our workforce.

- ISO 14001 - Environmental Management System (EMS): Demonstrates our commitment to environmental responsibility, sustainable practices, and minimizing the environmental impact of our operations.
- ISO 45001 - Occupational Health and Safety Management System (OHSMS): Confirms our focus on providing a safe and healthy workplace by proactively managing occupational health and safety risks.

Additionally, Sonata successfully completed the **SOC 2 audit,** providing assurance that our systems and services meet applicable Trust Services Criteria and fulfill service commitments. We have sustained our competitive advantage in cloud delivery excellence by virtue of meeting all required standards and qualifying the **annual progress audit for the Microsoft Azure Expert MSP Program.**

Sonata is in the advanced stages of achieving CMMI Maturity Level 5 appraisal under the CMMI 3.0 Services (SVC) model. Building on a strong foundation of delivery excellence, performance predictability, and continuous improvement practices, the organization has completed all major appraisal requirements and is currently in the final phase.

AI Enabled Project Execution

Use Case	GenAI Solution	High-Level Outcome
Finance Reconciliation Agent (D365)	An AI-powered bot using D365 Reconciliation Agent Excel plugin to automate matching, flag exceptions, and provide actionable insights.	Streamlined, automated month-end close process with measurable time and cost savings
Intercompany Sales Order Agent	Use Power Automate + Copilot/AI Agents to trigger SO creation based on PO events. Extend with Sales Order Entry Agent for updates	End-to-end automated intercompany order sync across global entities, reducing errors and improving fulfilment speed
Customer Support Assist Agent	AI agent monitors JIRA tickets, pulls answers from internal knowledge, and suggests resolutions. Eventually respond directly to users	Reduced support response time, improved accuracy, and gradual shift toward AI-assisted self-resolution
AI Upskill Agent	Copilot Sidecar agent that provides suggestions, walkthroughs, and embedded help based on user activity	Increased adoption and ROI of AI tools through proactive, user-friendly training

Agentic AI Enabled Systems

Onboarding-HR Agent: The Agentic AI – Employee Onboarding solution automates onboarding process for HR-Ops. The system assists HR teams by automating email ID generation, duplication checks, and profile activation in Darwinbox, while maintaining human-in-the-loop (HITL) validation for accuracy.

L&D Query Handler: The L&D Query Handler is a Teams-based bot that allows employees and managers to retrieve Learning & Development–related information for themselves or their direct reporters.

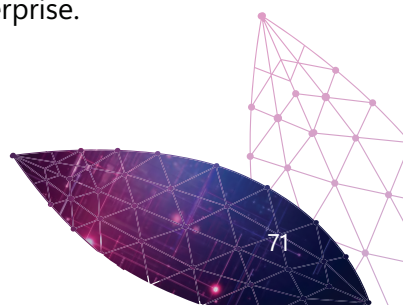
Modular Business Analytics: An AI-driven analytics agent built on n8n workflows that enables ELT and leadership teams to query CRM and business data using natural language and receive instant insights

Sonata Notes Taker for MS Teams Calls: The bot integrates with Microsoft Teams calls and meetings to enable recording. Once the call ends, the bot generates and provide transcripts along with key insights and Action items.

AI based lead generator tool: The Sales team requires an AI-driven tool to analyse client and prospect statements. The tool will use AI and NLP to recognize key information about IT investments, business goals, and challenges, prioritize leads, and integrate with CRM systems for efficient lead tracking. The tool aims to improve lead qualification, sales productivity, and provide actionable insights for pipeline growth. Key features include automated lead identification, customization options, reporting, and scalable integration with CRM systems.

AI enabled workforce and the Techfest/Spark

Sonata has made significant strides in building an AI-enabled workforce, underscored by the rapid achievement of 92% enterprise-wide vibe coding certification within a span of just 45 days. This accelerated capability-building effort reflects a strong culture of learning agility and digital readiness across all levels. Complementing this, Sonata hosted a large-scale AI hackathon that attracted 411 global nominations, resulting in a diverse pipeline of innovative solutions. These solutions span both internal process optimization and client-centric use cases aimed at enhancing efficiency and productivity. Together, these initiatives demonstrate a structured and scalable approach to embedding AI into the fabric of delivery, positioning the organization as a forward-looking, innovation-driven enterprise.



Program Edge is a strategic, enterprise-wide Business Process Reengineering (BPR) and digital transformation initiative designed to modernize Sonata's internal processes, systems, and operating model. The program aims to fundamentally rethink how work is performed across the organization by eliminating inefficiencies, simplifying complexity, standardizing execution, and embedding automation and AI at the core of operations.

As Sonata continues to scale in a dynamic and competitive environment, legacy processes, fragmented systems, and manual interventions increasingly constrain agility, speed, and cost efficiency. Program Edge responds to these challenges by moving beyond incremental improvements and driving a **structural redesign of end to end, cross functional processes,** aligned with industry best practices and digital-first models.

The initiative is anchored on four guiding principles:

- **Elimination** of redundant, low-value, and non-essential activities
- **Simplification** of workflows, approvals, and decision-making structures
- **Standardization** of enterprise-wide processes, controls, and governance
- **Automation** through modern digital platforms and AI-enabled capabilities with Digital Co-Worker

Through a rigorous evaluation and redesign of core business processes, Program Edge introduces integrated, industry-leading technology solutions that enable seamless process execution, real-time data visibility, and AI-based decision support. This integration of optimized workflows and modern platforms establishes a more agile, responsive, and scalable operating model.

Program Edge delivers organization-wide transformation by reshaping not only processes and systems, but also **ways of working, accountability models, and decision governance.** By automating repeatable and manual tasks, the program frees capacity across teams, enabling employees to focus on higher-value, strategic, and customer-impacting activities while building strong digital and analytical capabilities.

Key Outcomes and Benefits

- Improved operational efficiency, productivity, and cost effectiveness
- Faster cycle times, improved quality, and enhanced compliance
- Greater transparency, consistency, and control across operations
- Data-driven, AI-enabled decision-making capabilities
- Enhanced agility to respond to customer, market, and regulatory changes
- A scalable foundation for sustainable growth and innovation

Program Edge represents a critical step in building AI-enabled agents with Human-in-Command, future-ready processes and systems that position Sonata for long-term operational excellence, resilience, and competitive advantage



Marketing Initiatives

Sonata Software's branding endeavours changed gears to strengthen Sonata's positioning as 'AI-led modernization engineering company', both externally and internally. FY 26 witnessed the launch of AgentBridge™ – a managed services platform designed to help large organizations build and scale autonomous AI workflows.

Growth marketing solidified its role as a key revenue engine, generating $60M+ in qualified pipeline through a portfolio of global industry and partner-led events. Sonata strengthened its positioning in Agentic AI and Frontier Firm transformation, leveraging high-impact thought leadership, CXO-level forums, and co-innovation narratives with strategic partners, particularly within the Microsoft ecosystem. These initiatives not only amplified brand visibility but also reinforced Sonata's role as a trusted transformation partner for AI-led enterprise modernization.

Our Analyst Relation endeavors helped Sonata achieve 15+ recognitions from leading analyst firms like Everest Group and HFS Research for its capabilities and strengths across AI/GenAI, data and analytics, dynamics, quality engineering, application development and transformation services. HFS Research also recognized Sonata Software as an early non-linearity leader, advancing toward Services-as-Software™ with value growth increasingly decoupled from headcount.

Sonata.AI war cry, a part of our Talent Branding initiative, generated strong internal and external engagement as we showcased our AI Mavericks, AI Trailblazers, and AIconic Women. Marketing also supported strategic initiatives across the year, centered on innovation, AI adoption, diversity and inclusion, and employee wellbeing, through campaigns and programs such as SPARK Hackathon, Vibe Coding, Sonata Step Challenge, and International Women's Day.

A slew of initiatives during the year successfully strengthened Sonata's brand equity and top-of-mind recall by enabling key industry recognitions, including ET Now Best Organizations to Work 2025, Most Preferred Workplace 2025–26, CII AI Awards 2025 for Best AI Solution Showcase and Best Industry AI Application, as well as recognition in TIME Best Companies Asia-Pacific 2026.

Sonata Software achieved sustained strong visibility across Tier-1 media through consistent thought leadership, exclusive interactions, and expert commentaries.



Human Capital

In line with Sonata's vision of Re-imagining growth with AI, Sonata's People and Talent function endeavours to be a growth multiplier and catalyst by nurturing a workplace where AI is powered by humans.

This human-centric approach to AI-led growth permeates our talent philosophy, people processes and the cultural ecosystem in which these are embedded.

The foundational fulcrum of our 'AI powered by humans' approach is to invest deeply in building people capability to facilitate better AI fluency, adoption and architecting.

Towards this end, in FY 26 we made significant strides in training and development—resulting in over 90% of our workforce becoming AI-capable, ready to partner with customers and internal stakeholders in their AI journey. All training curricula, across domains and technologies, are now tailor-made to ensure our talent is AI-proficient.

Complementing this, our Global AI Hackathon attracted ~500 participants who showcased both internal enterprise use cases and customer business challenges that leveraged Generative and Agentic AI. This compounds the existing innovation ecosystem of hackathons, tech-fests, and collaborative ideation platforms.

We also onboarded native AI talent throughout the year to complement the internal talent pool.

Around 50 campus graduates completed a 3-month intensive immersion program with AI as the driver as well as primary focus area. In addition, we also inducted close to 100 Interns who will be working exclusively on AI projects with a focus on Agentic AI.

At Sonata Software, our people are 'Customer Zero', the foundation of our AI-led transformation journey. As a result, our employee experience approach focuses on making AI work with and for our people, empowering them to be their best selves at work every day.

In line with the company's strategic emphasis on artificial intelligence, a niche talent initiative titled AI Mavericks was launched in FY 26. This program



has been designed to identify, engage and nurture emerging AI talent within the organization. It provides structured opportunities for participants to contribute to ongoing AI initiatives and be embedded within AI-led solutions, thereby strengthening the talent pipeline for future business opportunities.

Our Talent Acquisition team has implemented AI-orchestrated, multi-agent hiring platform designed to define job requirements and create consistent screening and interview frameworks to support human decision making. This will lead to better outreach, enhanced candidate experience and faster onboarding of the right talent for the right roles.

Our HR team has also implemented AI-Driven HRMS Optimization by introducing automated and AI-enabled features such as auto-triggered onboarding workflows, OTP-based secure access, and end-to-end digitization of employee documentation laying the foundation for predictive analytics and data-driven decision-making across the employee lifecycle. In addition, employee onboarding, background verification (BGV) and employee separation processes have been redefined to make it seamless and intelligent through a unified, system-driven data collection workflow.

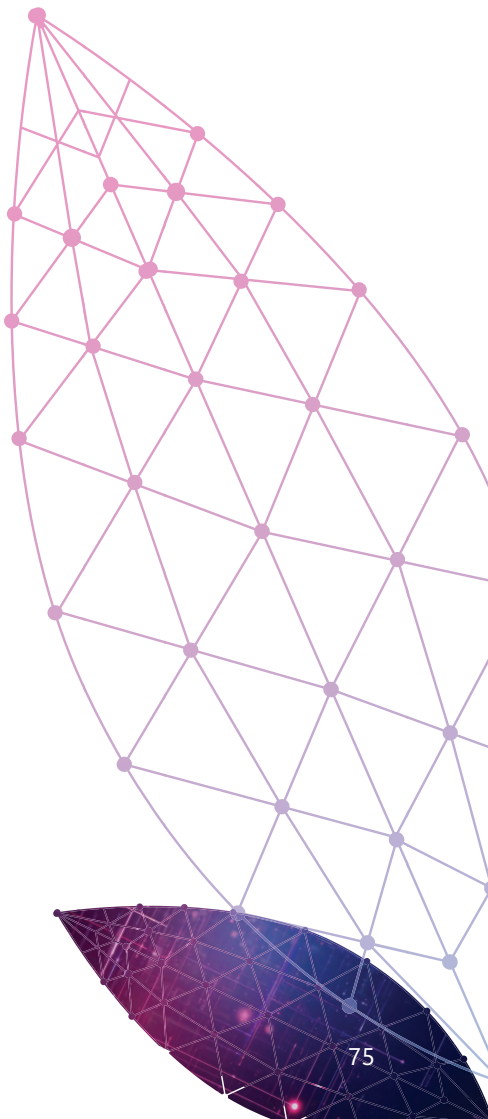
Mavin, the organization's internal AI assistant, continued to mature as a core enabler of digital HR transformation during the year. Enhanced capabilities supported consistent and effective execution of key people frameworks, including Sonata Experience Management (SEM), Performance and Career Enablement (PACE), and Talent Connects, driving improved employee engagement and stronger talent retention outcomes. The rollout of standardized, plug and play survey and communication modules enabled faster and more scalable deployment across critical people initiatives such as the Buddy Program, Attrition Management, Predictive Retention, and enterprise feedback mechanisms, strengthening data driven decision making across the employee lifecycle.

As part of Program Edge, we have made significant progress in automating workflows through native systems and AI-enabled solutions. Immigration management and compensation & benefits administration are on track to be fully automated with an AI layer, ensuring greater efficiency and governance

The Company continues to reinforce its commitment to Diversity and Inclusion, maintaining healthy gender and cultural diversity across the workforce. Investments in leadership and manager capability building supported the nurturing of an inclusive workplace, while focused initiatives to strengthen the diverse talent pipeline led to the launch of the Women Mentoring Program. Inclusive behaviours were further encouraged through the introduction of the Allyship Award, and the expansion of SWAN (Sonata Women Advocacy Network) across regions helped strengthen belonging through mentoring and leadership dialogues. Policy enhancements, including extended medical insurance coverage for LGBTQ colleagues, reinforced the Company's commitment to equity and wellbeing. Employee wellbeing remained a key priority, with augmented wellness initiatives during the year.

As an acknowledgement of the impact of the work as detailed above, your company was recognised as employer of choice in different forums viz. Jombay WOW Workplace 2025, in IT and ITES category; Team Marksmen Most Preferred Workplace 2025-26 and ET Now Best Organizations to Work 2025.

These awards recognise organizations that have demonstrated exceptional leadership in creating employee friendly workplaces.



Corporate Social Responsibility

Our Focus Areas

At Sonata, our CSR vision focuses on creating long-term community value by driving sustainable growth through responsible services, ethical conduct, and impactful initiatives. We are committed to operating in a socially, economically, and environmentally responsible manner, while addressing the interests of all stakeholders. We acknowledge the interdependence of sustainability pillars and strive to balance social, economic, and environmental priorities.

Diversity and Inclusion:

We promote inclusivity through a range of social initiatives focused on digital skilling, education, healthcare, and livelihood support. Our efforts also include targeted digital skilling programs for women and the provision of assistive technology for children with cerebral visual impairment to enable equal opportunities

Digital Skilling & Research:

As a technology-led organization, we prioritize building digital capabilities among underprivileged students. Our focused programs in Java development, data analytics, and cybersecurity help reduce the digital divide and prepare participants for sustainable careers in the technology sector. We also invest in research and development in Software Engineering and Responsible AI to advance innovation

Environmental Sustainability:

Our commitment to environmental stewardship is demonstrated through impactful CSR initiatives, including large-scale tree plantation programs. By embedding ecological responsibility into our activities, we seek to conserve natural resources and support a sustainable future.



Highlights of Projects Aimed at Achieving Sustainability Goals

IISc

Advancing Research and Innovation in Software Engineering and AI

Sonata promotes research and innovation in Software Engineering, Responsible AI, and Customer Experience through education, collaboration, and infrastructure development. Our programs include AI literacy initiatives, research collaborations, and startup incubation, supported by workshops and summer schools. The establishment of advanced labs and classrooms has driven a 30% increase in research output. Additionally, our AI solutions in healthcare and finance, along with five successful startup launches, have contributed to a robust and growing AI ecosystem.

Centum Foundation

Empowering Underprivileged Youth through IT Training

We are committed to advancing education and improving employment opportunities for economically disadvantaged communities in semi urban areas. Under this initiative, 250 beneficiaries—of whom 90% were women—received industry led training in Data Analytics (125 participants) and Microsoft Dynamics 365 (125 participants). In addition, 70% of the trained participants were supported with placement assistance. The program is designed to equip underprivileged and diverse youth with essential IT skills, facilitate access to quality and affordable learning resources, and build a pool of industry ready professionals.

FVTRS

Sonata is committed to empowering underserved youth through focused technical skilling and digital transformation initiatives. Our programs have enabled 250 beneficiaries to acquire essential digital competencies, enhancing their readiness for employment in the IT sector. Certified participants are supported through placement linked training, contributing to improved livelihoods while addressing the industry's growing demand for skilled talent. In addition, the development of the FVTRS website has strengthened NGO operations by improving accessibility and operational efficiency. Through access to quality and affordable resources, these initiatives help build a pool of employable professionals and deliver sustained social impact across the communities we serve.

Arvind Eye Hospital

Project 1: AEH Vikas (Android-Based Assistive Technology for Children with (CVI) Cerebral Visual Impairment)

Sonata has developed an advanced Android based assistive technology application to support children with cerebral visual impairment (CVI), strengthening early diagnosis and therapeutic intervention for children with special visual needs. The application integrates both diagnostic and therapeutic functionalities through structured, interactive exercises and games designed to enhance visual awareness and perceptual abilities. By supporting cognitive and visual development, the solution enables children with CVI to engage more effectively with their environment, thereby improving learning outcomes and overall developmental progress. This initiative underscores Sonata's commitment to leveraging technology to deliver inclusive and impactful healthcare solutions.

Project 2: AEH Simulation

This project aims to design a Workflow Simulation Portal for AEH that leverages interactive simulations to enhance user understanding of software solutions and upgrades, supporting quicker adoption, reduced training effort, and improved user experience.

Unnati Foundation

Development of a Unified Cloud Platform for Training and Stakeholder Access

The project involves the development of a unified, cloud based platform to enable centralized access management for multiple stakeholders through a secure Single Sign On (SSO) framework. The platform strengthens the digital infrastructure supporting Unnati Foundation's training programs by enhancing operational efficiency, enabling secure data management, and ensuring seamless access to digital learning systems. This technology driven initiative improves the scalability and effectiveness of skill development programs delivered to beneficiaries across multiple locations.

Agastya International Foundation

Sonata is advancing impactful initiatives in education and cultural preservation through the strategic use of technology. In partnership with Agastya International Foundation, we have developed the WeLearn App to provide technical support and help bridge educational gaps for rural school students. The platform enhances access to quality learning resources, empowering students and supporting improved educational outcomes.

Saytrees

Farm Twin – Digital Simulation Platform for Agroforestry Planning

The Farm Twin initiative involves the development of a digital simulation platform designed to support farmers in planning and implementing agroforestry models using data-driven insights. The platform provides guidance on optimal crop combinations, potential income streams, and carbon sequestration benefits, enabling informed decision-making. By promoting sustainable land use and climate-resilient farming practices, the initiative enhances agricultural productivity while supporting improved farmer incomes. This project underscores Sonata's commitment to leveraging technology to advance environmental sustainability and inclusive rural livelihoods.

Industree Crafts Foundation

Our collaboration with Industree Crafts Foundation has resulted in the development of the Co Create App, a digital platform that enables artisans to store and showcase their designs. This initiative supports the preservation of traditional art forms while enhancing artisans' visibility, creating economic opportunities, and promoting cultural sustainability.



Segment-wise Overview

The Group is engaged in providing IT Services and Solutions to its customers globally, with a presence in the USA, UK, Europe, ANZ, APAC, and distribution of software products and licenses in India. The company's consolidated operations include Indian and overseas subsidiaries under two distinct segments:

- **International IT Services contributed 28% of total revenues and 63% of PAT**
- **Domestic Products and Services with 72% of the total revenues and 37% of PAT**

During the year, the International IT services revenues stood at ₹ 294,803 Lakhs (USD 328.4 million), an increase of 4.2% on Y-o-Y basis. Domestic products and services stood at ₹ 777,207 Lakhs (USD 879.7 million), an increase of 5.9% on Y-o-Y basis. The total consolidated revenue stood at ₹ 1,070,124 Lakhs (USD 1,211.2 million) a growth of 5.4% on Y-o-Y basis.

The Company added 23 new logos during the year across verticals and regions in the International Services segment.

From a geographical perspective, Sonata Software's services revenue were contributed by different regions. The USA accounted for 72% of the services revenue, followed by Europe (including the UK) contributing 19%, and the Rest of the World (RoW) making up the remaining balance. In terms of verticals, Technology, Media and Telecom (TMT) contributed 32%, Retail, Manufacturing and Distribution (RMD) contributed 33%, Healthcare and Life Sciences (HLS) contributed 14%, Banking, Financial Services and Insurance (BFSI) contributed 16%, and remaining 5% of the revenues came from the Emerging sector.



Financial Overview

The Group is engaged in the business of providing IT Services and Solutions to its customers in the USA, UK, Europe, ANZ, APAC, and distribution of software products and licences in India. The Group's consolidated operations include Indian and Overseas subsidiaries under the two distinct segments.

Below are the Consolidated Financial Highlights

Particulars	2025-26	2024-25	Y-o-Y Growth
	₹ in Lakhs	₹ in Lakhs	in %
Total income	10,80,578	10,22,840	6%
Revenue	10,70,124	10,15,725	5%
EBITDA	84,579	76,040	11%
Interest and Depreciation	15,568	18,674	-17%
PAT	46,439	42,467	9%
EPS	17	15	9%

Total Income: Total income increased by 6% from ₹ 1,022,840 Lakhs in 2024-25 to ₹ 1,080,578 Lakhs in 2025-26 largely owing to the increase in revenue from International and domestic products and license sales.

EBITDA: The EBITDA margin stood at 8% in 2025-26.

Profit After Tax: The Net Profit margin stood at 4% in 2025-26.

Interest and Borrowings: The interest cost for the year 2025-26 is ₹ 5,142 Lakhs, out of which interest expense on lease liability as per Ind AS 116 is ₹1,477 Lakhs. The Group has a Net Cash balance of ₹ 32,028 Lakhs (including investment in Mutual Funds and net of bank borrowing repayable in one year).

Capital Employed: The Capital Employed is ₹ 273,705 Lakhs in 2025-26. The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2026 is at 29%.

Net Worth: The Net Worth is ₹ 190,463 Lakhs in 2025-26. The Return on Average Net Worth (RONW) for the year ended 31st March, 2026 is at 26%.

Fixed Assets: The Group's fixed assets which includes property, plant, equipment, intangibles and goodwill is ₹ 198,080 Lakhs as at 31st March, 2026 and accumulated depreciation / amortization as at 31st March, 2026 is ₹ 30,082 Lakhs.



Below are the Standalone Financial Highlights

Particulars	2025-26	2024-25	Y-o-Y Growth
	₹ in Lakhs	₹ in Lakhs	in %
Total income	1,61,129	1,17,523	37%
Revenue	1,36,676	99,131	38%
EBITDA	42,461	26,075	63%
Interest and Depreciation	4,167	2,598	60%
PAT	27,873	21,377	30%
EPS	10	8	30%

Total Income: Total Income increased by 37% from ₹ 117,523 Lakhs in 2024-25 to ₹ 161,129 Lakhs in 2025-26. Dividend income in 2025-26 is ₹ 18,562 Lakhs as against ₹ 15,800 Lakhs in 2024-25.

EBITDA: EBITDA increased by 63% from ₹ 26,075 Lakhs in 2024-25 to ₹ 42,461 Lakhs in 2025-26.

Profit After Tax: Profit after Tax increased 30% from ₹ 21,377 Lakhs in 2024-25 to ₹ 27,873 Lakhs in 2025-26.

Interest and Borrowings: The interest cost for the year 2025-26 is ₹ 1,101 Lakhs, out of which interest expense on lease liability as per Ind AS 116 is ₹ 1,126 Lakhs. The Company has a Cash balance of ₹ 4,647 Lakhs (including investment in Mutual Funds).

Capital Employed: The Capital Employed is ₹ 101,802 Lakhs in 2025-26. The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2026 is at 33%.

Net Worth: The Net Worth is ₹ 81,587 Lakhs in 2025-26. The Return on Average Net worth (RONW) for the year ended 31st March, 2026 is at 34%.

Fixed Assets: The Company's fixed assets which include property, plant, equipment and goodwill is ₹ 6,835 Lakhs as of 31st March, 2026 and accumulated depreciation / amortization as of 31st March, 2026 is ₹ 4,899 Lakhs.



Risks & Concerns

Volatile Global Political and Economic Situation

Changes in the global economic landscape, political developments, and regulatory shifts can impact client technology budgets, leading to changes in demand patterns. To address these challenges, the Company is taking proactive measures by collaborating closely with clients and prospects as they reassess their strategies for geographic diversity and workload distribution. Where possible, we are exploring right-shoring options to enhance efficiency and reduce exposure to external disruptions.

Client Concentration

Client Concentration Risk refers to the potential threat posed by a disproportionate amount of revenue being generated from a limited number of clients. To address this concern, the Company keeps looking to diversify our client portfolio and deepens relationships across a broader base to mitigate this risk. Moreover, the Company continually monitors concentration risk within its Direct Core business and takes necessary steps to mitigate it.

Cyber Security and Privacy Overview

Protecting information and respecting privacy remain important priorities for the Company. As digital threats continue to evolve, the Company is taking steady steps to strengthen its approach to cybersecurity and data protection. This includes investing in security technologies, improving internal processes, and enhancing awareness across the organization.

Key focus areas include securing systems and networks, managing access controls, monitoring for potential threats, and handling incidents in a timely manner. Your Company continues to build on its existing capabilities to better protect information that is entrusted to it, whether related to employees, clients, or business operations. Recognizing that people are an important part of the security chain, the Company runs regular awareness programs and training sessions for employees. New hires go through basic cybersecurity training, and additional communication campaigns help keep security top-of-mind across teams.

Your Company remains committed to improving its security posture. Ongoing investments and a focus on practical security measures reflect this commitment to safeguarding the interests of all stakeholders.

The Transformative Impact of the Artificial Intelligence (AI) on Corporate Operations

The rapid adoption of AI presents challenges such as workforce skill gaps, integration complexities, and ethical concerns around data privacy and decision-making. These issues can hinder the seamless transformation of corporate operations and slow down the realization of AI's full potential. To address these challenges, has invested in upskilling employees, adopted scalable and flexible AI platforms, and implemented robust governance frameworks focused on ethics and data privacy. Close collaboration between competency teams and business units ensures effective AI integration and maximizes operational benefits.

Legal & Compliance Risks

The company regularly monitors regulatory changes, evaluates their impact and addresses any discrepancies. We utilize compliance tools, training modules, and conduct periodic reviews and audits by both internal and external auditors to effectively manage and mitigate these risks.



Outlook

As we look ahead to FY 27, we are confident of sustaining strong momentum, supported by three key tailwinds:

- The ramp-up of multiple large deals expected to commence in the first half of the year,
- The large-scale adoption of Agentic AI across enterprise functions, and
- Significant expansion in our AI-led pipeline.

Together, these drivers position us strongly to accelerate growth and further strengthen our position as a leading AI-first modernization partner. We believe FY 27 will mark an important step in scaling AI-led transformation across our client base.

At the same time, we remain mindful of external headwinds, particularly a volatile global macroeconomic environment. Our focus on agility, disciplined execution, and structural resilience will enable us to navigate these uncertainties effectively while maintaining consistency in performance and delivery.

Our strategy for FY 27 will be centered on enabling our clients' modernization journeys while unlocking new avenues of value creation. We will execute this through five strategic priorities:

1. **Deepening customer relationship –** Building stronger, trust-led partnerships by staying closely aligned with client priorities and driving increased share of wallet.
2. **Scaling AI-led service delivery –** Embedding AI more deeply across delivery to enhance productivity, accelerate outcomes, and deliver greater impact at scale.
3. **Strengthening our offerings with sharper sub-vertical focus –** Investing in differentiated, industry-aligned solutions to address specific client challenges and growth opportunities.
4. **Expanding strategic partnerships –** Deepening collaboration with hyperscalers and ecosystem partners to co-create solutions and expand go-to-market reach.
5. **Investing in building future-ready people capabilities –** Strengthening our AI-ready workforce through focused upskilling and a culture of continuous learning and innovation.

Given our proven credentials in Modernization Engineering, proximity to customers, and our size, AI offers a significant opportunity for us, and we are well positioned to accelerate our trajectory towards the value pulls that AI is opening up for us, despite the headwinds.

In FY 27, Team Sonata looks forward to putting its best foot forward to become the AI Partner of Choice for our clients.



Internal Control Systems

Our company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded, and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

An extensive program of internal audits and management reviews supplements the process of the internal financial control framework.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairperson of the Audit Committee of the Board.

The Audit committee defines the scope and authority of the Internal Auditor. The Internal Auditor monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of the Company and its subsidiaries.

Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and the necessary corrective actions are presented to the Audit Committee.

The internal financial control framework design ensures that the financial and other records are reliable for preparing financial and other statements. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. The internal financial control framework entails the following:

Authorization, Recording, and Reporting

Ensuring all transactions are properly authorized, accurately recorded, and reported in compliance with accounting standards and regulatory requirements.

Safeguarding of Assets

Implementing controls to protect assets against loss, theft, or unauthorized use, including physical assets, financial assets, and intellectual property.

Compliance with Regulatory Requirements

Adhering to all applicable laws, regulations, and standards relevant to the industry and geographic locations in which the company operates, including those set forth by regulatory bodies such as the Securities and Exchange Board of India (SEBI

Accuracy of Financial Reporting

Emphasizing the accuracy and integrity of financial reporting, including compliance with accounting principles and disclosure requirements prescribed by regulatory authorities.

Risk Management

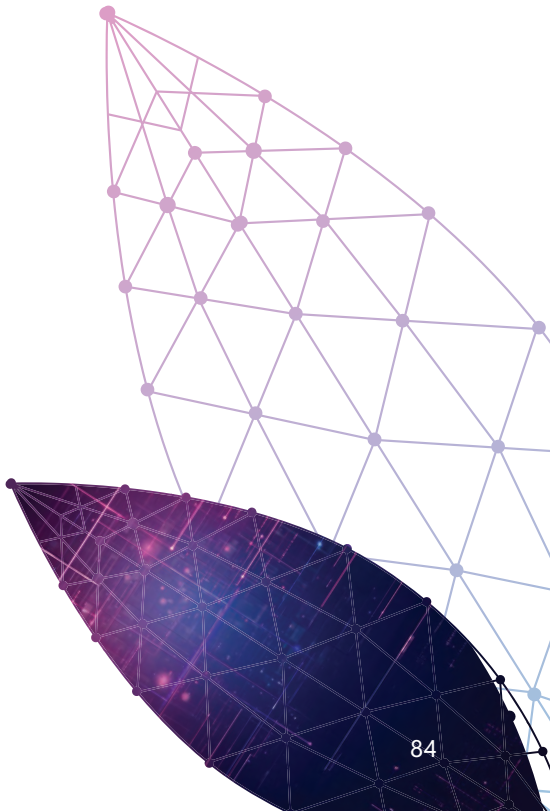
Identifying, assessing, and managing risks that could potentially impact the achievement of business objectives, including financial, operational, and strategic risks

Board Oversight

Providing oversight of the internal control system by the Board of Directors, including regular review and assessment of its effectiveness and responsiveness to emerging risks.

Segregation of Duties

Implementing proper segregation of duties to prevent conflicts of interest and fraud, with clear delineation of responsibilities among different individuals or departments involved in financial transactions and reporting.



BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty-First (31st) Board's Report of your Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2026.

The consolidated performance of the Company and its subsidiaries have been referred to wherever required.

FINANCIAL RESULTS

Your Company's financial performance (standalone and consolidated) for the Financial Year ended 31st March, 2026 is summarized below:

₹ in Lakhs

Description	Standalone		Consolidated	
	Financial Year ended 31.03.2026	Financial Year ended 31.03.2025	Financial Year ended 31.03.2026	Financial Year ended 31.03.2025
Total Income	161,129	117,523	1,080,578	1,022,840
Total Expenditure	118,668	91,448	995,999	946,800
EBITDA	42,461	26,075	84,579	76,040
Depreciation and Amortization Expense	3,066	2,129	10,426	12,149
Finance Cost	1,101	469	5,142	6,525
Profit before Tax & Exceptional Items	38,294	23,477	69,011	57,366
Exceptional item	2,620	-	6,285	-
Profit before Tax	35,674	23,477	62,726	57,366
Total tax expense	7,801	2,100	16,287	14,899
PAT before non-controlling interest	27,873	21,377	46,439	42,467
Non-controlling interest	-	-	-	-
PAT after non-controlling interest (Net Profit)	27,873	21,377	46,439	42,467
Basic Earnings Per Share (in ₹)	10.05	7.70	16.74	15.30

STANDALONE FINANCIALS

Total income has increased by 37%. The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) stood at 26% of Total Income and Net Profit at 17% of Total Income with Earnings Per Share at ₹ 10.05.

CONSOLIDATED FINANCIALS

Total Income has shown a growth of 6%. The EBITDA stood at 8% of Total Income and Net Profit at 4% of Total Income with Earnings Per Share at ₹ 16.74.

Analyzing your Company's consolidated results by the two spheres it operates in, International IT Services contributed 28% of total revenues and 63% (before exceptional items) of Profit After Tax (PAT) while Domestic products and services contributed to 72% of the total revenues and 37% of PAT.

International IT services total revenue is ₹ 294,803 lakhs, growth of 4.2% Y-o-Y and $ 328.4 million in US $ terms. Your Company has managed to declare good results consistently because of its focus on serving and growing its existing customers, addition of 23 new customers throughout the Financial Year, and maintaining resource utilization at 88.9% over the Financial Year under review. The Domestic IT Products business grew by 5.9% on Y-o-Y basis to ₹ 777,207 Lakhs.

Your Company during the Financial Year had a stronger consolidated Balance Sheet and has approximately ₹ 32,028 Lakhs of cash and cash equivalents, showing Return on Capital Employed (ROCE) of 27.68% (before exceptional items) and Earnings Per Share at ₹ 16.74.

The Audited Standalone and Consolidated Financial Statements of your Company, which form a part of this Annual Report, 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, as amended.

BUSINESS PERFORMANCE

At Sonata, our ambition is clear: To be an AI-first Modernization Engineering firm, powered by our proprietary Platformation™ framework.

Sonata delivered a resilient performance in FY26 and we are excited with the progress we are making as we continue to execute our long-term vision.

From a growth point of view, we remain focussed on few critical bets:

1. Our Big Bet - AI-enabled Services is expected to contribute 20% of our revenue by the end of FY27. We are enabling our clients to leverage AI in 3 ways: i) driving efficiencies, ii) driving higher consumer experience/modern sales, and iii) driving innovative business models.

   We made meaningful and measurable progress in scaling AI-led growth across the company. AI now contribute to **18%** of our total order book – demonstrating both strong market demand and deeper integration of AI in our client solutions. Our client wins were spread across verticals, with TMT (Technology, Media, Telecom) and HLS (Healthcare & Life Sciences) clients showing the highest rate of AI adoption.

   FY26 witnessed the launch of **AgentBridge** – our cloud-agnostic Agentic AI platform designed to help clients build and deploy next-generation Agentic AI solutions.

   We also forged partnership with IISc (India) and Wharton School (US) to further research and innovation in Agentic AI.

   We operationalized AI internally as well. Our HR and Finance teams now run production-grade Agents on AgentBridge, reinforcing our ambition to be a model AI-led technology services firm.

2. Large-deal pursuits remain a cornerstone of our growth strategy, with approximately 40% of our pipeline comprising large, strategic opportunities. In FY26, we continued to win Large Deals and added a few marque logos to our list of customers.

3. We remain confident that our investment verticals - Healthcare & Life Sciences (HLS) and Banking, Financial Services & Insurance (BFSI) - are on track to scale to $250M in revenue over the next 3 to 5 years. Together, these two verticals now contribute **30%** of our total revenue, a sharp rise from 13% just 3 years ago - a clear reflection of our strategic focus and disciplined execution.

4. Cloud and data opportunities now account for **~57%** of our total pipeline, reflecting strong client demand for modernization. We are seeing accelerating adoption around Microsoft Fabric, where Sonata is an Official Microsoft Fabric Featured Partner, enabling clients to build data analytics foundations for the AI era.

5. Our deep and diversified partnership with key industry Hyper-scalers like Microsoft, AWS, Salesforce, and Snowflake has been enabling us to deliver cutting-edge AI solutions for clients. While Sonata continued to remain a proud member of Microsoft Inner Circle and Partner AI Council, it is now among the first companies to be recognized as a **Microsoft Frontier Partner** and received **Microsoft Fabric Featured Partner official badge** as well.

   With respect to AWS, Sonata Software is now an **AWS Premier Tier Services Partner** - the highest level of recognition in the AWS Partner Network and having AWS Gen AI Competency Partner status is no less feat either.

Our North America business scaled significantly and now represents over **74%** of total revenue, up from approximately 54% three years ago. This shift reflects our continued success in deepening client relationships and expanding share in this key market.

We once again achieved an impressive, aggregated Customer Satisfaction (CSAT) score of 4.3 out of 5.

Our India business (SITL) made strong progress across three strategic pillars: 1) Expanding our Microsoft channel with a sharper focus on SMC segment; 2) Broaden partnerships with other ISVs – expanding beyond the three hyperscaler CSP partnerships; 3) Win large System Integration (SI) deals that integrate Cisco, IBM, Dell, and other ISV infrastructures with leading cloud platforms. These strategic bets are core to building a more diversified, resilient, and future ready domestic business.

6200+ Sonatians remain our biggest asset and our culture, built on AGILE (Action, Growth, Integrity,

Learning, and Empathy), remains our guiding force. The Company continued to reinforce its commitment to Diversity and Inclusion, maintaining healthy gender and cultural diversity of 31%, across the workforce.

Sonata University made significant strides in training and development, because of which more than 92% of our workforce and 80% of managers are now trained in AI and ready to partner with our customers and internal stakeholders in their AI journey. We also rolled out Vibe Code training across the organization, with 78% of employees successfully completing it, reflecting high engagement and adoption.

Sonata Software had the honour to win **ET Now Best Organizations to Work 2025** and Team Marksmen **Most Preferred Workplace 2025-26.** These awards are testament of our exceptional endeavor in creating employee-friendly workplaces.

Team Sonata remains committed to our long-term ambition of transforming Sonata Software into a differentiated Modernization Engineering firm powered by Platformation™, AI, and modern technologies, with an aim to judiciously accelerate the growth curve and build scale in terms of large clients, deals, markets, partnerships, and talent.

Industry recognition

Sonata Software continued to receive accolades in FY26. It was recognized among the **Best Companies APAC 2026**. Besides, it bagged two prestigious awards at **CII AI Summit and Awards 2025** gala.

HUMAN RESOURCE MANAGEMENT

In line with Sonata's vision of Re-imagining growth with AI, Sonata's People and Talent function endeavours to be a growth multiplier and catalyst by nurturing a workplace where AI is powered by humans.

This human-centric approach to AI-led growth permeates our talent philosophy, people processes and the cultural ecosystem in which these are embedded.

The foundational fulcrum of our 'AI powered by humans' approach is to invest deeply in building people capability to facilitate better AI fluency, adoption and architecting.

Towards this end, during FY26, we continued to make significant strides in training and development, as a result of which, more than 90% of our workforce is AI-capable, ready to partner with our customers and internal stakeholders in their AI journey. All our training curricula, across domains and technologies is now tailor-made to make our talent AI-proficient.

Complementing this, our Global AI Hackathon attracted ~500 participants who showcased both internal enterprise use cases and customer business challenges that leveraged Generative and Agentic AI. This compounds the existing innovation ecosystem of hackathons, tech-fests, and collaborative ideation platforms.

We also onboarded native AI talent throughout the year to complement the internal talent pool.

Around 50 campus graduates completed a 3-month intensive immersion program with AI as the driver as well as primary focus area. In addition, we also inducted close to 100 Interns who will be working exclusively on AI projects with a focus on Agentic AI.

At Sonata Software, our people philosophy is anchored in the belief that our people are our "Customer Zero" for AI-led transformation. As a result, our employee experience approach is pivoted on making AI work with and for our people so that they can be their best selves at work every day.

In line with the company's strategic emphasis on artificial intelligence, a niche talent initiative titled AI Mavericks was launched in FY26. This program has been designed to identify, engage and nurture emerging AI talent within the organization. It provides structured opportunities for participants to contribute to ongoing AI initiatives and be embedded within AI-led solutions, thereby strengthening the talent pipeline for future business opportunities.

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Our HR team has also implemented AI-Driven HRMS Optimization by introducing automated and AI-enabled features such as auto-triggered onboarding workflows, OTP-based secure access, and end-to-end digitization of employee documentation laying the foundation for predictive analytics and data-driven decision-making across the employee lifecycle. In addition, employee onboarding, background verification (BGV) and employee separation processes have been redefined to make it seamless and intelligent through a unified, system-driven data collection workflow.

Mavin, the organization's internal AI assistant, continued to mature as a core enabler of digital HR transformation during the year. Enhanced capabilities supported consistent and effective execution of key people frameworks, including Sonata Experience Management (SEM), Performance And Career Enablement (PACE), and Talent Connects, driving improved employee engagement and stronger talent retention outcomes. The rollout of standardized, plug-and-play survey and communication modules enabled faster and more scalable deployment across critical people initiatives such as the Buddy Program, Attrition Management, Predictive Retention, and enterprise feedback mechanisms, strengthening data-driven decision-making across the employee lifecycle.

As part of Program Edge, we have made significant progress with respect to automation of our workflows with the help of native systems and additional systems with AI capabilities. Immigration management and compensation and benefits administration are on the road to be fully automated with an AI layer on top of it thereby ensuring efficiencies and governance.

The Company continues to reinforce its commitment to Diversity and Inclusion, maintaining healthy gender and cultural diversity across the workforce. Investments in leadership and manager capability building, supported the nurturing of an inclusive workplace, while focused initiatives to strengthen the diverse talent pipeline led to the launch of the Women Mentoring Program. Inclusive behaviours were further encouraged through the introduction of the Allyship Award, and the expansion of SWAN (Sonata Women Advocacy Network) across regions helped strengthen belonging through mentoring and leadership dialogues. Policy enhancements, including extended medical insurance coverage for LGBTQ colleagues, reinforced the Company's commitment to equity and wellbeing.

Employee wellbeing remained a key priority, with augmented wellness initiatives during the year.

As an acknowledgement of the impact of the work as detailed above, your company was recognised as employer of choice in different forums viz. Jombay WOW Workplace 2025, in IT and ITES category; Team Marksmen Most Preferred Workplace 2025-26 and ET Now Best Organizations to Work 2025.

These awards recognise organizations that have demonstrated exceptional leadership in creating employee friendly workplaces.

CYBER SECURITY AND PRIVACY OVERVIEW

Protecting information and respecting privacy remain important priorities for the Company. As digital threats continue to evolve, the Company is taking steady steps to strengthen its approach to cybersecurity and data protection. This includes investing in security technologies, improving internal processes, and enhancing awareness across the organization.

Key focus areas include securing systems and networks, managing access controls, monitoring for potential threats, and handling incidents in a timely manner. Your Company continues to build on its existing capabilities to better protect information that is entrusted to whether related to employees, clients, or business operations. Recognizing that people are an important part of the security chain, the Company runs regular awareness programs and training sessions for employees. New hires go through basic cybersecurity training, and additional communication campaigns help keep security top-of-mind across teams.

Your Company remains committed to improving its security posture. Ongoing investments and a focus on practical security measures reflect this commitment to safeguard the interests of all stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time (the "Listing Regulations"), is disclosed separately in this Annual Report.

DIVIDEND / TRANSFER TO RESERVES

In line with the practice of rewarding members, based on your Company's performance and future outlook, the Directors are pleased to recommend a final dividend of ₹ 4.15/- per equity share at 415 % on par value of shares of ₹ 1/- each. This recommendation is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") and shall be subject to deduction of income tax at source.

The final dividend is in addition to the interim dividends. Your Board has already declared first interim dividend of ₹ 1.25/- per equity share (125%) which was paid on 26th August, 2025, second interim dividend of ₹ 1.25/- per equity share (125%) which

was paid on 4th December, 2025 and third interim dividend of ₹1.25/- per equity share (125%) which was paid on 2nd March, 2026. Thus, the total dividend for FY 2026 amounts to ₹ 7.90 per equity share and would involve a total cash outflow of ₹ 22,154 Lakhs. The total dividend for FY 2025 was ₹ 4.40/- per equity share and involved a total cash outflow of ₹ 12,339 lakhs.

If approved by the Members at the ensuing AGM, the final dividend will be paid on or after 10th August, 2026 to all those equity shareholders whose names appear on the Register of Members of your Company on 17th July, 2026 and to those whose names appear as beneficial owners in the records of the National Security Depository Limited and Central Depository Services (India) Limited on the said date.

Your Company has not transferred any amounts to reserve for the Financial Year ended 31st March, 2026. The dividend paid and recommended is in accordance with the Company's Dividend Distribution Policy.

DIVIDEND DISTRIBUTION POLICY

As required under Regulation 43A of the Listing Regulations, your Company has Dividend Distribution Policy. The Policy is available on the website of the Company at Dividend Distribution Policy.

SHARE CAPITAL

During the Financial Year 2025-26, there was no change in the paid-up share capital of your Company compared to the previous financial year 2024-25. The paid-up share capital remains at ₹ 280,424,816 (Rupees Two Hundred Eighty Million, Four Hundred Twenty-Four Thousand, Eight Hundred & Sixteen only), divided into 280,424,816 (Two Hundred Eighty Million, Four Hundred Twenty-Four Thousand, Eight Hundred & Sixteen) equity shares with a face value of ₹ 1/- (Rupee One only). Additionally, your Company did not issue any new shares (public, bonus, rights, or preferential) during the financial year under review.

BOARD MEETINGS

During the year under review, the Board of Directors met four (4) times. The meetings were held on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026. The maximum interval between any two meetings did not exceed one hundred twenty (120) days, as prescribed under the Companies Act, 2013 (the "Act").

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Shyam Bhupatirai Ghia (DIN: 00005264), Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM). Brief profile of Mr. S B Ghia is provided in the notes to the Notice of the AGM. The Board of Directors, pursuant to the recommendation of the Nomination and Remuneration Committee, has recommended his re-appointment by the members at the ensuing AGM.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 6th February, 2026, approved the re-appointment of Mr. P Srikar Reddy (DIN: 00001401) as Executive Vice Chairman and Whole-Time Director of your Company w.e.f. 4th April, 2026. The said re-appointment was approved by the members of your Company through postal ballot on 31st March, 2026.

Upon the expiration of the term of Mr. Samir Dhir (DIN: 03021413) on 8th May, 2026, he decided not to continue and will cease and vacate the office of Managing Director & Chief Executive Officer of the Company due to personal priorities. Further, he has also resigned from the position of the Executive Director of the Company with effect from the close of business hours on 8th May, 2026. The Board places on record its sincere appreciation to Mr. Samir Dhir for his contribution and leadership during his tenure.

Mr. Rajsekhar Datta Roy was appointed as Chief Executive Officer of the Company with effect from 9th May, 2026 for a period of 3 years.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on appointment and remuneration of Directors is available on the Company's website at Nomination and Remuneration Policy. The qualifications, positive attributes, independence and skills of the Directors are covered in the Corporate Governance Report which is a part of this Report.

INDEPENDENT DIRECTORS

Your Company has laid down and followed procedures for familiarizing the Independent Directors with your Company regarding their roles, rights, responsibilities and to impart the required information and training to enable them to contribute significantly to your Company.

As required under Section 149(7) of the Act, all the Independent Directors on the Board of your Company have given their respective declarations that they fulfil and meet the criteria of independence as laid down

in Section 149(6) of the Act, read with Regulation 16(1)(b) and Regulation 25(8) of Listing Regulations. There has been no change in the circumstances during the year under review affecting their status as Independent Directors of your Company. The list of key skills, expertise, and core competencies of the Board, including the Independent Directors, is provided elsewhere in this Annual Report.

The Independent Directors have confirmed that they have complied with the Company's Code of Conduct during the year under review. They have also further confirmed that they have registered their names in the Independent Directors' Databank.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under the provisions contained in Section 134(3)(c) read with 134(5) of the Companies Act 2013 (the "Act"), the Directors, based upon the information and explanations obtained by them and also documents made available to them and to the best of their knowledge and belief, hereby confirm that:

a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of the profit and loss of your Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the Annual Accounts on a going concern basis;

e) the Directors have laid down Internal Financial Controls to be followed by your Company and that such Internal Financial Controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS

During the year under review and upto the date of this Report, there has been no material change and commitment affecting the financial position of your Company.

UPDATE ON AMALGAMATION OF ENCORE I.T. SERVICES SOLUTIONS PRIVATE LIMITED WITH YOUR COMPANY

Pursuant to the approval of the Scheme of Amalgamation by the Mumbai bench the previous year, Encore I.T. Services Solutions Private Limited, a wholly-owned subsidiary (Encore), is awaiting for the final order from the National Company Law Tribunal, Chennai bench. The appointed date remains 1st April, 2024. Upon effectiveness, all assets, liabilities, and authorised share capital of Encore will merge with the Company. No new shares of your Company will be issued.

AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations, the Audit Committee of the Board as on 31st March, 2026, comprised of Mr. Surin Shailesh Kapadia, Chairperson, Ms. Mona Ninad Desai, Mr. Sanjay K Asher and Mr. Viren Raheja as its Members. Mr. Viren Raheja was inducted as a Member in Audit Committee in place of Mr. Shyam Bhupatirai Ghia w.e.f. close of 6th February, 2026. The Committee met four (4) times during the year under review and recommendations made by the Audit Committee, during the Financial Year have been accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE & STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee of the Board as on 31st March, 2026, comprised of Mr. Surin Shailesh Kapadia, Chairperson, Mr. Viren Raheja and Mr. Sanjay K Asher as its members. The Committee has laid down a policy for remuneration of Directors, KMP and other Employees. A copy of the Policy is available on the website of your Company at Nomination and Remuneration Policy. The composition of the Nomination and Remuneration Committee comprises of Independent and Non-Executive Directors. The Committee met four (4) times during the year under review.

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of Listing Regulations, the

Stakeholders Relationship Committee of the Board as on 31st March, 2026, comprised of Mr. Shyam Bhupatirai Ghia, Chairperson, Mr. P Srikar Reddy, Ms. Mona Ninad Desai and Mr. Samir Dhir as its members. Mr. Samir Dhir ceased to be a Member of Stakeholders Relationship Committee w.e.f. close of 8th May, 2026. The Committee met four (4) times during the year under review.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of Section 135 of the Act, the Corporate Social Responsibility Committee of the Board as on 31st March, 2026, comprised of Ms. Mona Ninad Desai, Chairperson, Mr. P Srikar Reddy, Mr. Shyam Bhupatirai Ghia and Mr. Samir Dhir as its members. Mr. Samir Dhir ceased to be a Member of Corporate Social Responsibility Committee w.e.f. close of 8th May, 2026. The Committee met four (4) times during the year under review. The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in **Annexure III** of this Report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21 of Listing Regulations, the Risk Management Committee of the Board as on 31st March, 2026, comprised of Mr. Surin Shailesh Kapadia, Chairperson, Mr. Viren Raheja, Mr. P Srikar Reddy and Mr. Samir Dhir as its members. Mr. Samir Dhir ceased to be a Member of Risk Management Committee w.e.f. close of 8th May, 2026. The Committee met two (2) times during the year under review.

The terms of reference of all Committees of the Board and the details of attendance in their respective meetings are set out in the Corporate Governance Report forming part of the Annual Report.

RISK MANAGEMENT

Your Company's Risk Management framework, strategies & practice seeks to sustain the long-term vision and mission of your Company. Your Company continuously evaluates the various risks surrounding the business and seeks to review and upgrade its risk management strategies and process to mitigate the risks. To further endeavour, your Board constantly formulates strategies directed at mitigating these risks which get implemented at the Executive Management level and a regular update is provided to the Board. Further, the detailed discussions on risks and concerns perceived by the Management and the strategies thereof are enumerated in Management Discussion and Analysis Report, which forms part of the Annual Report.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism and Whistle Blower Mechanism for receiving and redressing complaints from employees and Directors, as per the provisions of Section 177(9) and (10) of the Act. Regulation 22 of the Listing Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The said Mechanism which, 'inter alia', also provides for direct access to the Chairperson of the Audit Committee in cases that require reporting about the unethical behaviour, actual or suspected fraud or violation of code of conduct laid down by your Company. This mechanism is governed by Vigil Mechanism Policy which covers unethical behaviour, actual or suspected fraud, theft, bribery, misappropriation of Company's funds, financial reporting violations, misuse of intellectual property, mismanagement, significant environmental, safety or product quality issues, discrimination or harassment including sexual harassment, Insider Trading, actual or potential conflicts of interest, violation of Company's rules, Company's Policies or violation of Code of Conduct of your Company.

Further, your Company has prohibited discrimination, retaliation, or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation. There were no complaints received during the year under review under this Policy. The Audit Committee periodically reviews the functioning of this mechanism. No personnel of your Company were denied access to the Audit Committee.

The Vigil Mechanism Policy can be accessed through Vigil Mechanism Policy.

SUBSIDIARY COMPANIES, ASSOCIATES AND JOINT VENTURES

As on 31st March, 2026, your Company had 22 subsidiaries. The statement pursuant to the Section 129(3) of the Companies Act, 2013, containing salient features of the Financial Statements of your Company's Subsidiaries in Form AOC-1 is given in **Annexure I** of the report. Audited Financial Statements together with related information and other reports of each of the subsidiary companies

have also been placed on the website of your Company at Investor Relations

The Consolidated Financial Statements of your Company and its Subsidiaries viz., Sonata Information Technology Limited, Sonata Software North America Inc. (SSNA), Sonata Software GmbH, Sonata Europe Limited (SEL), Sonata Software (Qatar) LLC (in the process of being closed), Sonata Australia Pty Ltd, Sonata Software Solutions Limited, Sonata Software (Shanghai) Co., Ltd, GAPbuster Inc., Sonata Software Worldwide Malaysia SDN. BHD., GAPbuster Worldwide Pty Limited, Sonata Software Japan KK, Encore I.T. Services Solutions Private Limited, Sonata Software Intercontinental Limited, Sonata Software Canada Limited, Sonata Latin America S. DE R.L. DE C.V., Sonata Software Solutions North America Inc. (formerly known as Quant Systems Inc.), Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited), Quant Systems CRC Inc Sociedad de Responsabilidad Limitada, Woodshed LLC, Sonata Software Malaysia SDN. BHD and Sonata Software Solutions, Egypt duly audited/ unaudited/reviewed are presented as part of this Report in accordance with the Act, Ind-AS 110 and the Listing Regulations, wherever applicable.

Your Company has a "Policy for determining Material Subsidiaries" as required under Listing Regulations so that your Company could identify such subsidiaries and set out a governance framework for them. The Policy is put up on the website at Policy for Determining Material Subsidiary

In terms of the said Policy as per financial statement for the year ended 31st March, 2026, Sonata Information Technology Limited, India and Sonata Software North America Inc., USA, are considered as material subsidiaries whose income exceeds 10% of the consolidated turnover of your Company in the financial year 2025-26. Further details on the subsidiary monitoring framework have been provided as part of the Corporate Governance Report.

EMPLOYEE STOCK OPTION PLAN ("ESOP")

Your Company has an Employee Stock Option Plan, 2013 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("ESOP Regulations"), as amended. The principal objectives of this Plan are to:

- Attract, retain and motivate talented and critical Employees;
- Encourage Employees to align individual performance with the Group's objectives;
- Reward Employee performance with ownership in proportion to their contribution; and
- Align Employee interest with those of the Group.

Pursuant to the requirements of the ESOP Regulations, a Certificate has been issued by the Secretarial Auditor of your Company confirming that the Plan has been implemented in accordance with the said Regulations and in accordance with the resolution of your Company in the General Meeting.

As required under the ESOP Regulations, the applicable disclosures regarding the details of options granted, number of shares arising as a result of exercise of options, etc., as on 31st March, 2026 are uploaded on the website of your Company Corporate Governance

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of Listing Regulations, M/s GDR & Partners LLP, Company Secretaries holding ICSI Firm Registration Number: L2024KR016500 were appointed as Secretarial Auditors of your Company from the conclusion of Thirtieth (30th) Annual General Meeting (AGM) held on 31st July, 2025, till conclusion of Thirty-Fifth (35th) AGM to be held in the calendar year 2030. The Secretarial Audit Report in Form MR-3 for the Financial Year ended 31st March, 2026 is annexed to this Report as **Annexure II**. The Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

MAINTENANCE OF COST RECORDS AND APPOINTMENT OF COST AUDITOR

For the year under review, the provisions of Companies (Cost Records and Audit) Rules, 2014 were not applicable to your Company.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants, Bengaluru, (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of your Company from the conclusion of Twenty Seventh (27th) Annual General Meeting (AGM) held on 24th June, 2022, till conclusion of Thirty Second (32nd) AGM to be held in the calendar year 2027, as required under Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

For the year under review, the Statutory Auditors have confirmed that they satisfy the independence criteria

required under the Companies Act, 2013.

The Auditors' Report contains 'Unmodified Opinion' on the financial statements (standalone and consolidated) of your Company, for the year ended 31st March, 2026 and there are no qualifications, reservations, adverse remarks or disclaimer in their report.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against your Company by its officers or employees.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable provisions of the Secretarial Standard 1 on Meetings of the Board of Directors & Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

Annual Return pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, your Company has placed a copy of the Annual Return as at 31st March, 2026 on its website at Corporate Governance.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 (5) of the Act and IEPF rules, during the year under review, your Company has transferred the unclaimed and un-encashed dividends of ₹ 52,85,811/-. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and IEPF rules, 54,125 corresponding equity shares of ₹ 1/- each on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of said shares already transferred to the IEPF, year-wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are provided in the Shareholder information section of the Corporate Governance report and are also available on our website, at Corporate Governance.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of your Company at Investor Relations.

KEY AWARDS AND RECOGNITIONS

During the year under review, your Company was felicitated with the following key awards and recognitions:

Industry Recognitions:

- Sonata Software has been recognized as one of Dun & Bradstreet India's Leading ESG Entities for FY25, reflecting our commitment to responsible and sustainable business practices.
- Sonata Software has been declared among the Best Companies APAC 2026. Companies were identified on three dimensions: Employee Satisfaction, Financial Performance, and Sustainability Transparency.
- Sonata Software has bagged two prestigious awards at the recently held CII AI Summit and Awards 2025 gala – for Best AI Solution Showcase and Best Industry AI Application – under the Most Innovative Category for our AgentBridge Solution. These honors recognize organizations that harness AI to transform businesses, deliver exceptional value, and champion responsible innovation that benefits society at large.
- Sonata Software has been recognized among the ET Now Best Organizations to Work for 2025. This prestigious recognition highlights workforce management practices, emphasizing on employee engagement, career development, workplace safety, and inclusivity.
- India Legal Awards 2025 recognized Sonata Legal Team as the "Legal Team of the Year" in the IT Segment.

Partner Recognitions:

- Sonata Software is now among the first companies to be recognized as a Microsoft Frontier Partner.
- Sonata Software is now an AWS Premier Tier Services Partner - the highest level of recognition in the AWS Partner Network.
- Sonata Software has been honored with the 2025–2026 Microsoft AI Business Solutions Inner Circle Award — placing us among the top global AI Business Solutions partners of Microsoft.
- Sonata Software received the Fabric Featured Partner official badge.

Analyst Recognitions

- Disruptor in HFS Horizons : Best Service

Providers for Mortgage Reinvention, 2025 report.

- Major Contender in Everest Group's Cloud Services for Mid-market Enterprises PEAK Matrix® Assessment 2025.
- Major Contender in the Everest Group's Microsoft Business Applications Services PEAK Matrix® Assessment – Focus on CRM.
- Major Contender in the Everest Group's Microsoft Business Applications Services PEAK Matrix® Assessment – Focus on ERP Services.
- Major Contender in Everest Group's Application Transformation Services for AI enablement PEAK Matrix® Assessment 2025.
- Major Contender in Everest Group's Application Development Services for AI Applications PEAK Matrix® Assessment 2025.
- Star Performer and a Major Contender in Everest Group's Enterprise Quality Engineering (QE) Services PEAK Matrix® Assessment 2025.
- Star Performer and an Aspirant in Everest Group's Data & Analytics (D&A) Services PEAK Matrix® Assessment 2025.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy

The Company is committed to conserving energy in line with its Sustainability Policy and continually works to improve energy efficiency across all its operations. It proactively adopts innovative approaches and advanced technologies to enhance operational performance while reducing energy consumption. These continuous efforts are focused on increasing efficiency, minimizing waste, and promoting responsible energy use. In support of its sustainability objectives, the Company has implemented a range of energy saving initiatives.

- Optimizing the operation of engineering and technical equipment during non-working hours to reduce energy usage.
- Ensuring all office equipment such as computers, monitors, printers, plotters, shredders, and task lighting are switched off during nights and weekends.
- Powering down computer lab equipment and activating energy saving modes on laser printers or switching them off when not in use.
- Enabling low power or sleepmode settings for computer monitors and hard drives during periods of inactivity.
- Prioritizing the procurement of Energy Star–rated office equipment with automatic power down features.
- Adjusting thermostats to lower settings or switching them off when not required and effectively using programmable thermostat energy-saving modes.
- Minimizing heat gain during summer by closing blinds, curtains, and drapes on windows exposed to direct sunlight.
- Maximizing natural warmth in winter by opening window coverings during daylight hours and closing them at night to retain heat.
- Keeping windows and external doors closed in air-conditioned or heated spaces to prevent energy loss.
- Leveraging natural daylight through windows or skylights to reduce dependence on artificial lighting.
- Replacing traditional incandescent bulbs with energy efficient LED lighting wherever feasible.
- Switching off unnecessary lighting in unoccupied areas and limiting decorative or non-essential lighting while maintaining safety and security standards.
- Turning off office and pantry appliances, including copiers, microwaves, and coffee machines, after working hours and on weekends.
- Ensuring specialty equipment not required during weekends or holidays is powered down.
- Promoting responsible water usage by limiting hot water consumption and turning off taps when not in use.
- Encouraging double-sided printing to reduce paper consumption.
- Reusing paper by setting aside scrap sheets for internal use.

B. Technology absorption

Leading the Shift to Agentic, AI-Driven Enterprise

During the year under review, Sonata strengthened its enterprise transformation strategy by positioning Artificial Intelligence at the core of its modernization agenda. AI now serves as the unifying layer across our key competencies—Dynamics, Cloud, Data, and Managed Services—enabling intelligent operations, agentic workflows, and measurable business outcomes. Rather than being a standalone capability, AI underpins a connected ecosystem that powers modernized business processes and scalable innovation.

Our Core AI capabilities have been significantly expanded through the development of a comprehensive Agentic AI Suite spanning enterprise functions and industry use cases. Across corporate functions, we have built domain-specific agents for Finance and HR. In parallel, we are investing in high-value industry agents across Healthcare & Life Sciences, BFSI, and Retail, Manufacturing & Distribution, enabling automation, improved decision-making, and scalable enterprise value. These agentic solutions are designed to drive automation, improve decision-making, and unlock scalable enterprise value.

Our Dynamics Modernization portfolio has been further strengthened through targeted investments in migration toolkits, AI-led initiatives, and industry-specific IPs. We have expanded our Migration Toolkit to support transitions from SAP and other ERP systems to Dynamics 365 Finance & Operations, alongside proprietary accelerators such as IntelliMigrate and an enhanced Upgrade Toolkit covering legacy platforms like NAV and GP.

In Data Modernization, we have adopted an account-centric growth approach complemented by an alliance-scaled motion with Microsoft, with a strong emphasis on Fabric-led migrations and data modernization, including transitions from platforms such as Alteryx and Informatica. To strengthen execution, we have deployed dedicated Data & AI sellers responsible for pipeline creation, deal progression, and conversion.

Our Cloud Modernization practice has transitioned to an AI-first, agentic engineering model, with GTMs focused on platform engineering, coding agents, and AIOps. We expanded migration capabilities across .NET, Java, open-source stacks, and mainframe-to-cloud (AWS Transform), supported by accelerators and platform-led governance. Deep expertise across Microsoft Copilot, Azure Foundry, AWS Bedrock, and related ecosystems underpins this shift.

Our Managed Services transitioned to a people first and AI first delivery approach, leveraging AI tools to transform shared services and enterprise operations. Through Support.ai, Command Centre.ai, and ProcessAutomation.AI, we helped clients achieve 40–50% cost optimization over 3–5 years, while ensuring agility and innovation.

We have evolved our Unified Engineering initiative into the Sonata Modernization Engineer program, aligning it with our broader workforce transformation efforts. Our talent base has been elevated through GenAI-enabled roles and embedded architects, strengthening our core capabilities.

We have invested in talent through Architect Guild, agentic AI certifications, and structured enablement, with 6,200+ professionals trained across GenAI, cloud, and data domains. In addition, our talent has achieved multiple certifications across Microsoft, AWS, and other platforms, reinforcing our expertise and credibility across diverse technologies.

C. Foreign exchange earnings and Outgo

During the year under review, 87% of the Company's revenue came from exports of developed software and related services to clients mainly in USA, UK, Europe, Australia, Germany, UAE and Japan. Foreign Exchange outgo on account of travelling, professional and legal charges, subsistence/living costs, overseas salaries, capital goods, etc. was ₹ 11,698 Lakhs and Foreign Exchange inflow on account of export of software services (net), goods and other operating revenues was ₹ 118,814 Lakhs.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013.

DISCLOSURES AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide a healthy environment to all employees that enables them to work without the fear of prejudice and gender bias. The Company has in place a gender neutral Prevention of Sexual Harassment (POSH) Policy and framework in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). Your Company through this Policy has constituted an Internal Committee (IC) for Redressal of complaints and mechanisms to prevent victimisation. Following are some of the programs and initiatives in place to train Employees and the IC for POSH during the year.

1. Each Employee is required to undergo a mandatory e-learning module on 'Prevention of Sexual Harassment at Workplace'.
2. All new joiners are trained in person on Prevention of Sexual Harassment during their induction program.
3. The IC Members are provided relevant training by an external expert.
4. The IC conducts quarterly meetings to monitor preventive measures and review complaints, if any.
5. The POSH Policy is available on the intranet portal for the employees to access as and when required.
6. Information about the Penal consequences of sexual harassment and information about the IC members and their contact details are available on the intranet portal and at conspicuous places in the office.

Annual Report has been filed with the relevant authorities as required under the POSH Act.

2 (two) complaints were received and disposed off within the prescribed ninety day period during the Financial Year 2025-26.

MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961 for the year ended 31st March, 2026.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The controls commensurate with the size and nature of Company's operations. The internal financial controls have been embedded in the respective business processes.

Assurance on the effectiveness of internal financial controls is done through management reviews and review by internal auditors and statutory auditors during the course of their audits. The internal financial controls provide reasonable assurance that they are designed effectively with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with Company's policies. The Audit Committee reviews the reports submitted by Internal Auditors, consider suggestions for improvement and thereafter take corrective actions.

Sonata's Management assessed the effectiveness of the Company's internal control over financial reporting as on 31st March, 2026, B S R & Co. LLP, the Statutory Auditors have audited the financial statements included in this Annual Report and have issued an attestation report on the Company's Internal Control over financial reporting.

The Audit Committee also meets Statutory and Internal Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations periodically. Based on its evaluation, the Audit Committee has concluded that, as of 31st March, 2026, the Company's internal financial controls were adequate and operating effectively.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the year under review, there were no significant and material orders passed by any Regulators or Courts or Tribunals impacting the going concern status of your Company and its future operations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year under review, your Company had given Inter Corporate Deposits to its wholly-owned subsidiary, Sonata Software North America Inc. with yearly interest payment as per the agreement for meeting its working capital requirements. The balance outstanding as on 31st March, 2026 is ₹ 9,481.13 Lakhs. The maximum amount outstanding at any point of time during the Financial Year has been ₹ 9,481.13 Lakhs.

Also, your Company has given Corporate Guarantees on behalf of Subsidiaries for facilitating their business needs. The outstanding amount as on 31st March, 2026 is as below:

Name of the Subsidiary	₹ in Lakhs
Sonata Software North America	73,478.76
Sonata Information Technology Limited	38,424.52

CORPORATE SOCIAL RESPONSIBILTY (CSR)

The CSR policy is formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors of the Company. The policy can be accessed at CSR Policy.

During the Financial Year, your Company has spent ₹ 208.97 Lakhs towards CSR activities. Your Company has a CSR Policy in place and as part of its implementation program(s), it has identified and participated in the following initiatives:

Your Company has partnered with Arvind Eye Hospital (Govel Trust) to develop AEH Vikas, an Android-based assistive technology application designed for children with Cerebral Visual Impairment (CVI). The application supports early diagnosis and provides structured therapeutic interventions through interactive exercises and games tailored to the unique visual needs of children. The initiative aims to improve visual awareness, cognitive development, and overall learning outcomes for children with special visual needs.

Your Company has also supported Arvind Eye Hospital through the development of the AEH Simulation portal, a workflow simulation platform designed to enhance user understanding of software solutions and system upgrades. The portal enables quicker adoption, reduces training effort, and improves overall user experience by providing interactive simulations, thereby supporting efficient and effective hospital operations.

The Report on CSR in the prescribed format is enclosed in this Report as **Annexure III.**

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, your Company's Business Responsibility and Sustainability Report ("BRSR") forms an integral part of this Annual Report. The BRSR outlines the Company's performance across the nine principles of the National Guidelines on Responsible Business Conduct and presents disclosures under each principle through essential and leadership indicators. The report comprehensively articulates the Company's core philosophy and highlights the initiatives undertaken during the year 2025–26 across environmental, social, and governance dimensions. It details the Company's approach to corporate social responsibility, sustainability initiatives focused on environmental conservation, green awareness programmes, its commitment to social development, strengthening of primary education, and other initiatives aligned with its responsible business practices.

Environmental, Social and Governance (ESG): Your Company has implemented various ESG initiatives across the organisation. The CSR Committee is responsible for providing oversight and guidance on ESG-related matters, including setting priorities and promoting leading ESG practices. The quarterly review and progress made on ESG are reported to the Board of Directors every quarter, the details on ESG are given elsewhere in the Annual Report.

RELATED PARTY TRANSACTIONS

The policy on Related Party Transactions is available on your Company's website at Related-party-transactions.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and/ or the Board for taking note /approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. None of the transactions entered into with related parties during the financial year were covered under Section 188(1) of the Companies Act, 2013, as they were in the ordinary course of business and conducted on an arm's length basis. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2025-26 and hence does not form part of this report.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the disclosures on Related Party Transactions in prescribed format with the Stock Exchanges.

JUSTIFICATION FOR ENTERING INTO RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into by your Company with the Related Parties including rendering of services, sharing of expenses, providing of inter-

corporate loans and guarantees to its subsidiaries are in the ordinary course of business and are carried out at arm's length basis.

BOARD EVALUATION

During the year under review, as mandated by the Companies Act, 2013 and Listing Regulations, Annual Evaluation was conducted by the Board of its own performance and that of its committees, Chairperson, individual Directors and the Independent Directors. As part of the evaluation process, individual criteria for each of the exercise was formulated. The said criteria specified certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines. From these, formal questionnaire listing various parameters on which each of the categories were required to be evaluated was shared with each member of the Board / Committee / Director. They were then required to rate individually on each of the parameters and also provide feedback based on ratings.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and Chairperson of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The outcome of the Board Evaluation for the financial year 2025-26 was discussed by the Independent Directors/ Board/ Committee. The Board of Directors of the Company noted the actions taken in improving Board effectiveness based on feedback given in the previous year.

REMUNERATION TO DIRECTORS AND EMPLOYEES

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website at Nomination and Remuneration Policy.

Details / Disclosures of ratio of Remuneration of each Director to the median employee's remuneration and details of remuneration paid to Employees is given as **Annexure – IV**.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms an integral part of this Report. However, the same is not being sent along with this Annual Report to the Members of your Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to investor@sonata-software.com and these documents will be made available for inspection electronically from the date of circulation of this Annual Report up to the date of AGM i.e. 31st July, 2026.

CORPORATE GOVERNANCE

Your Company is committed to ensure the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). Your Company has also implemented best governance practices. The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report.

A Certificate from M/s GDR & Partners, LLP, Company Secretaries, confirming the compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to this report.

OTHER DISCLOSURES

1. Your Company confirms that it has paid the Annual Listing Fees for the year 2025-26 to National Stock Exchange of India Limited (NSE) and BSE Limited where its shares are listed.
2. Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.
3. There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.
4. There were no instances where your Company required the valuation for one time settlement or while taking the loan from any Banks or Financial institution.

ACKNOWLEDGEMENTS

Your Directors take this opportunity and place on record their gratitude for all the guidance and co-

operation received from all its clients, investors, vendors, bankers, financial institutions, business associates, advisors, regulatory and government authorities. Your Directors also thank all its shareholders and stakeholders for their continued support and look forward to their continued support in the future and all the Sonatians for their valuable contribution and dedicated service. The consistent growth was made possible by their hard work, solidarity, co-operation and support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjay K Asher
Chairperson
DIN: 00008221

Place: Mumbai
Date: 7th May, 2026

Annexure I

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 - Form AOC-I)

₹ in Lakhs except % of shareholding/control and exchange rate

SL No	Name of the subsidiary	Date since subsidiary was acquired	Reporting period for the subsidiary con-cerned, if different from the holding company's reporting period	Reporting currency	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsid-iaries	Share capital [1]	Reserves and surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of share-holding / control
1	Sonata Information Technology Ltd.	NA	Same Reporting Period	INR	-	338	33,163	209,846	176,345	16,410	780,355	24,217	6,255	17,962	100
2	Sonata Software Solutions Limited	NA	Same Reporting Period	INR	-	1	18,134	22,958	4,823	26	12,931	6,926	1,090	5,836	100
3	Encore IT Services Solutions Private Limited	1-Aug-21	Same Reporting Period	INR	-	1	759	1,085	325	181	621	152	225	(73)	100
4	Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	10-Mar-23	Same Reporting Period	INR	-	91	4,758	14,049	9,200	-	5,848	1,780	479	1,301	100
5	Sonata Software North America Inc.	NA	Same Reporting Period	USD	USD = ₹ 94.81	122	67,243	245,159	177,794	132,418	175,724	6,139	(471)	6,610	100
6	Sonata Software GmbH	NA	Same Reporting Period	EURO	Euro = ₹ 109.00	32	438	758	288	-	1,039	286	57	229	100
7	Sonata Europe Ltd., UK	NA	Same Reporting Period	GBP	GBP = ₹ 125.51	2,501	5,505	14,721	6,715	2,155	22,460	4,312	155	4,157	100
8	Sonata Australia Pty Ltd	21-Dec-18	Same Reporting Period	AUD	AUD = ₹ 65.04	-	4,887	8,725	3,838	-	11,825	2,946	1,101	1,845	100
9	GAPbuster Worldwide Pty Limited	20-Apr-20	Same Reporting Period	AUD	AUD = ₹ 65.04	3,725	(1,811)	4,006	2,092	-	3,689	151	199	(49)	100
10	Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	20-Apr-20	Same Reporting Period	JPY	JPY = ₹ 0.59	21	338	549	190	-	828	8	61	(53)	100
11	Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia Sdn Bhd)	20-Apr-20	Same Reporting Period	MYR	MYR = ₹ 23.52	-	80	176	96	-	215	135	39	96	100
12	Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	20-Apr-20	Same Reporting Period	CNY	CNY = ₹ 13.73	-	54	324	270	-	27	96	66	30	100
13	GAPbuster Inc	20-Apr-20	Same Reporting Period	USD	USD = ₹ 94.81	1	(530)	329	858	-	561	(174)	27	(201)	100
14	Sonata Software In-tercontinental Limited	NA	Same Reporting Period	EURO	Euro = ₹ 109.00	-	(889)	682	1,571	-	1,398	118	17	101	100

SL No	Name of the subsidiary	Date since subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital [1]	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of shareholding / control
15	Sonata Software Canada Limited	NA	Same Reporting Period	USD	CAD = ₹ 68.17	1	193	312	118	-	392	72	19	52	100
16	Sonata Latin America S. DE R.L. DE C.V.	NA	Same Reporting Period	PESO	Peso = ₹ 5.24	-	(94)	906	1,000	-	4,911	205	311	(106)	100
17	Sonata Software Solutions North America Inc. (formerly known as Quant Systems Inc.)	10-Mar-23	Same Reporting Period	USD	USD = ₹ 94.81	9	7,296	10,792	3,487	3,118	23,663	3,062	59	3,003	100
18	Sonata Software (Qatar) LLC[3]	NA	Same Reporting Period	USD	USD = ₹ 94.81	12	(19)	-	6	-	-	-	-	-	49
19	Sonata Software Malaysia SDN BHD.	NA	Same Reporting Period	MYR	MYR = ₹ 23.52	89	449	659	122	-	1,543	281	103	178	100
20	Sonata Software Solutions[2]	NA	Same Reporting Period	EGP	EGP = ₹ 1.74	27	(39)	10	23	-	-	(32)	-	(32)	100

[1] Share Capital as at March 31, 2026 for Sonata Australia Pty Ltd, is ₹ 108 and Sonata Latin America S. DE R.L. DE C.V. is ₹ 5,030

[2] Sonata Software Solutions is incorporated in Egypt with effect from May 12, 2024

[3] Sonata Software (Qatar) LLC is in the process of being closed.

Notes:

1. Sonata Information Technology Limited has proposed a final dividend of ₹ 10,000 Lakhs (₹ 296.26 per equity share of par value of ₹ 10 each) which is subject to approval of shareholders.
2. Sonata Software Solutions Limited has proposed a final dividend of ₹ 2,500 Lakhs (₹ 25,000/- per equity share of par value of ₹ 10 each) which is subject to approval of shareholders.
3. Quant Systems CRC Inc Sociedad de Responsabilidad Limitada and Woodshed LLC are yet to commence its operations
4. GAPbuster Europe Limited and GAPbuster Limited in the UK have been merged with Sonata Europe Limited, wholly-owned subsidiary of Sonata Software Limited on July 16, 2024
5. Sonata Software LLC (formerly known as Sopris Systems LLC) in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limited on May 6, 2024
6. Encore Software Services, Inc. in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limited on August 26, 2024.

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

There are no associate companies and joint ventures during the financial year under review.

Annexure II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
Sonata Software Limited,
208 T V Indl Estate, 2nd Floor, S. K. Ahire Marg,
Worli, Mumbai-400 030.

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Sonata Software Limited** (hereinafter called **"the company"**). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2026** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 **[Not Applicable]**;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **[Not Applicable]**.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable]**.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **[Not Applicable]**; and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations,2018 **[Not Applicable]**.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Laws as are applicable specifically to the Company are as under:

(a) The Information Technology Act, 2000 and the rules made thereunder;

(b) The Special Economic Zones Act, 2005 and the rules made thereunder;

(c) Software Technology Parks of India rules and regulations;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

1. During the year, the following resolution was passed effectively through Postal Ballot on March 31, 2026:

   a) Re-appointment of Mr. P. Srikar Reddy (DIN:00001401) as Executive Vice Chairman and Whole-Time Director of the Company.

We further report that during the audit period the company has not passed any Special Resolution at the Annual General Meeting held on July 31, 2025.

For GDR & Partners LLP,
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review
Certificate : 6014/2024
UDIN: F005553H000288011

Place : Bengaluru
Date : 7th May, 2026

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members,
Sonata Software Limited,
208, T V Indl Estate, 2nd Floor, , S. K. Ahire Marg,
Worli, Mumbai-400 030.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company.

   Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For GDR & Partners LLP,
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review
Certificate : 6014/2024
UDIN: F005553H000288011

Place : Bengaluru
Date : 7th May, 2026

Annexure III

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY 2025-26

1. Brief outline on CSR Policy of the Company

Sonata Software, through its CSR initiatives, will enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth in the society and community around it along with environmental concern. The objective of this policy is to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders and other objects of the Company.

Further, take up those programs directly or indirectly, that benefit the communities and society at large, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Mona Ninad Desai	Chairperson	4	4
2	Mr. P. Srikar Reddy	Member	4	4
3	Mr. Shyam Bhupatirai Ghia	Member	4	4
4	Mr. Samir Dhir *	Member	4	3

* Ceased to be a Member w.e.f. close of 8th May, 2026

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

   Composition of CSR Committee: Composition of CSR Committee

   CSR Policy: CSR Policy

   CSR Projects: CSR & Sustainability

4 Provide the executive summary along with weblink(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable

5. (a) Average net profit of the Company as per section 135(5): ₹ 10106.34 lakh
   (b) Two percent of average net profit of the Company as per section 135(5): ₹ 202.12 lakh
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   (d) Amount required to be set off for the financial year, if any: ₹ 1.372 lakh
   (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 200.75 lakh

6 (a) Amount spent on CSR Projects (both ongoing projects and other than Ongoing Project): ₹ 199.02 lakh

(b) Amount spent in Administrative Overheads: ₹ 9.95 Lakh

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 208.97 lakh

(e) CSR amount spent or unspent for the financial year:

₹ in Lakhs

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
208.97	NA	NA	NA	NA	NA

(f) Excess amount for set off, if any

₹ in Lakhs

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	202.12
(ii)	Total amount spent for the Financial Year	210.34 *
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8.22
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8.22

* This includes total amount spent for the Financial Year i.e., ₹ 208.97 lakhs and previous year's excess CSR spent of ₹ 1.37 lakhs.

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	NA	NA	NA	NA	NA	NA	NA
2	FY-2	NA	NA	NA	NA	NA	NA	NA
3	FY-3	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

₹ in Lakhs

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA		

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable

Sanjay K Asher
Chairperson
DIN: 00008221

Mona Ninad Desai
Chairperson of CSR Committee
DIN: 03065966

Place: Mumbai
Date: 7th May, 2026

Annexure IV

Information as per rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel), rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the % increase in remuneration for the Financial Year 2025-26:

Name of Director	Designation	% of increase compared to previous year	Ratio to Median remuneration of employees
Mr. Samir Dhir	Managing Director & CEO	(20)*	77*
Mr. P Srikar Reddy	Executive Vice Chairman and Whole-time Director	(38)***	13
Mr. Shyam Bhupatirai Ghia	Director	(1)	3
Mr. Viren Raheja	Director	-	3
Mr. Sanjay K Asher	Chairperson & Director	(1)	3
Mr. Surin Shailesh Kapadia	Director	49**	3
Ms. Mona Ninad Desai	Director	50**	3

* Payable in USD. It includes variable pay and commission for FY 2025-26 which is payable in FY 2026-27.

**The percentage increase is attributable to the remuneration paid on a proportionate basis in FY 2025, as compared to full payment in FY 2026.

***Excluding SARs - as NA

Note: All figures rounded off

(ii) The percentage increase in remuneration of Chief Financial Officer & Company Secretary, in the Financial Year 2025-26:

Name of Person	Designation	% of increase compared to the previous year
Mr. Jagannathan C N	Chief Financial Officer	-
Ms. Mangal K Kulkarni	Company Secretary and Head-Legal	-

Note: All figures rounded off

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2025-26:

The percentage increase in the median remuneration of Sonata during the Financial Year under review is 21%. This has been arrived by comparing the median remuneration of the cost-to-the Company as on 31st March 2026 as compared to the previous year 31st March 2025.

(iv) The number of permanent employees on the rolls of the Company as on 31st March, 2026: 5,948 employees.

The total employee strength across the group as on 31st March 2026 is 6,386 as against 6,873 as on 31st March, 2025.

(v) Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Merit increase in 2025, onsite was at an average 3% and offshore was at 8%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

Your Company affirms that the remuneration is as per the remuneration policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjay K Asher
Chairperson
DIN: 00008221

Place : Mumbai
Date: 7th May, 2026

REPORT ON CORPORATE GOVERNANCE

Your Company complies with the requirements of the guidelines on Corporate Governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and hereby presents the following Corporate Governance Report for the Financial Year 2025-26 based on the said requirements and its sound Corporate Governance principles and practices.

I. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sonata Software Limited ("the Company") is committed to good Corporate Governance. The fundamental objective of the Company's Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders without compromising on compliances with any laws and regulations."

Corporate Governance at your Company is implemented through robust governance processes, internal control systems and processes and audit mechanisms at all levels. These are further articulated in the Company's Code of Business Conduct and charters of various Committees of the Board. The Company aspires to be amongst the best-governed companies by building a resilient and responsible organization. Integrity, transparency, accountability, ethical conduct of business are key to our corporate governance practices and performance, ensuring that we gain and retain the trust of our stakeholders at all times.

II. BOARD OF DIRECTORS

Your Company has an energetic, engaged, experienced, diverse and well-informed Board. Your Company's Board of Directors comprises an optimum combination of professionals with expertise, diversity, Independence and has an optimum combination of Executive and Non-Executive Directors. The Board of Directors of your Company as of 31st March, 2026 comprised seven (7) Directors of which one (1) is a Non-Executive Promoter Director, one (1) is a Non-Executive Director, two (2) are Executive Directors and three (3) are Independent Directors (including one (1) Independent Woman Director). The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). The Chairperson of the Board is an Independent Director.

The Company has also adopted a policy on Board Diversity. The diverse Board with distinct experience, thought, perspective, skill sets, gender and expertise ensures constructive deliberations and effective decision-making. All the Directors on the Board are persons of eminence and bring a wide range of expertise, knowledge and experience to the Board thereby ensuring the best interest of the stakeholders and the Company.

None of your Directors serve as Independent Directors in more than seven listed companies or as Directors in more than ten public companies. Further, none of them is a member of more than ten committees or Chairperson of more than five committees across all the public companies in which he or she is a Director. None of the Directors are related to each other.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of Independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended.

The Board is of the opinion that all the Independent Directors of the Company fulfil the conditions specified under Listing Regulations and are independent of the management of the Company. Further, all the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India (SEBI)/ the Ministry of Corporate Affairs (MCA) or any such other Statutory Authority. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the applicable regulations and are independent of the management. The Company has obtained a Certificate to this effect from M/s GDR & Partners LLP, Company Secretaries, as mandated under Schedule V, Part C, Clause 10(i) of Listing Regulations.

During the Financial Year 2025-26, four (4) Meetings of the Board were held with a time gap of not more than one hundred and twenty (120) days between any two consecutive meetings. These meetings were held on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026 through physical mode. The necessary quorum was present at all the meetings.

During the Financial Year 2025-26, information as mentioned in Schedule II Part A of the Listing Regulations has been placed before the Board for its consideration. The Board had obtained declarations from the respective functional heads confirming the compliances with all applicable laws during the Financial Year under review.

CHAIRPERSON

The Chairperson of the Board is Mr. Sanjay K Asher, an Independent Director. The Company has separated the roles of the Chairperson and the Managing Director & CEO to have a balanced governance structure. The Chairperson takes a lead role in managing the Board and facilitates effective communication among Directors and Management.

During the year, familiarisation programme was imparted to all the Directors of the Board. Details of the familiarisation programme is available on the Company's website at Corporate Governance.

The names, designation and categories of the Directors and their shareholdings in the Company as of 31st March, 2026 are furnished below:

Name of the Director & DIN	Designation	Category	Equity shareholding in the Company
Mr. Sanjay K Asher (00008221)	Chairperson & Director	Independent Director	Nil
Mr. Shyam Bhupatirai Ghia (00005264)	Director	Non-Executive Director	13,332 shares
Mr. Viren Raheja (00037592)	Director	Promoter, Non-Executive Director	2,20,00,000 shares
Mr. P Srikar Reddy (00001401)*	Executive Vice Chairman & Whole-Time Director	Executive Director	30,10,431 shares
Ms. Mona Ninad Desai (03065966)	Director	Independent Director	Nil
Mr. Surin Shailesh Kapadia (00770828)	Director	Independent Director	Nil
Mr. Samir Dhir (03021413)	Managing Director & CEO	Executive Director	44,000 shares

* Re-appointed as Executive Vice Chairman and Whole-Time Director w.e.f 4th April, 2026

Note: Upon the expiration of the term of Mr. Samir Dhir (DIN: 03021413) on 8th May, 2026, he decided not to continue and will cease and vacate the office of Managing Director & Chief Executive Officer of the Company. Further, he has also resigned from the position of the Executive Director of the Company with effect from the close of business hours on 8th May, 2026.

Mr. Rajsekhar Datta Roy was appointed as Chief Executive Officer of the Company with effect from 9th May, 2026 for a period of 3 years.

Detailed profiles of all the Board members, comprising their experience, expertise, etc., are available on the Company's website at Board of Directors

Details of the Directors attendance during the Financial Year 2025-26 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee Memberships /Chairpersonship held by them in other Public Companies in India as of 31st March, 2026 are furnished below:

Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM held on 31st July 2025	No of Directorship held in other Indian Companies	No of Committee Membership/ Chairpersonship held in other Indian Public companies*	
					As Chairperson	As Member
Mr. Sanjay K Asher	4	4	Yes	10	1	8
Mr. Shyam Bhupatirai Ghia	4	4	Yes	1	0	2
Mr. Viren Raheja	4	4	Yes	12	0	4
Mr. P Srikar Reddy	4	4	Yes	2	0	2
Ms. Mona Ninad Desai	4	4	Yes	3	1	3
Mr. Surin Shailesh Kapadia	4	4	Yes	5	3	4
Mr. Samir Dhir	4	3	Yes	1	-	1

*Includes only Committee Membership/Chairpersonship of Audit Committee and Stakeholders' Relationship Committee.

List of Directorship held in other Listed Companies and the category of directorships:

Name of the Director	Directorship in other listed entities	Category of Directorship
Mr. Sanjay K Asher	Epigral Limited	Non-Executive-Independent Director
	Sudarshan Chemicals Industries Limited	Non-Executive-Non-Independent Director
	Repro India Limited	Non-Executive-Independent Director
	Gillette India Limited	Non-Executive - Independent Director
	Hawkins Cookers Limited	Non-Executive - Independent Director
	Ashok Leyland Limited	Non-Executive - Non Independent Director
Mr. Shyam Bhupatirai Ghia	Futura Polyesters Limited	Chairman & Managing Director
Mr. Viren Raheja	Hathway Cable and Datacom Limited	Non-Executive - Non-Independent Director
	Innovassynth Technologies (India) Ltd	Non-Executive - Non-Independent Director
Mr. P Srikar Reddy	Palred Technologies Limited	Non-Executive - Non-Independent Director
Ms. Mona Ninad Desai	Supreme Petrochem Limited	Non-Executive - Independent Director
Mr. Surin Shailesh Kapadia	Exide Industries Limited	Non-Executive - Independent Director
	EIH Associated Hotels Limited	Non-Executive - Independent Director
Mr. Samir Dhir	-	-

Board Skill Matrix

Your Board had cautiously considered and identified an optimised mix of the Skills, Expertise and Competencies essentially required by the Company in the context of its sector, size and operations. This was so done to ensure functioning of the business effectively and it has been confirmed that the Board has the required skills defined in the matrix provided below.

The key attributes primarily and broadly are:

I. General Management of Corporate Affairs, Corporate Governance

II. General Information Technology and related fields; General IT Knowledge

III. Law, Taxation, Finance

IV. Behavioral Science

V. Strategy Management, Sales & Marketing, Global Business

VI. Leadership abilities

These skills/competencies are broad-based, encompassing several areas of expertise/ experience of the Board Members and below mentioned the areas of focus or expertise of individual members.

- **MR. SANJAY K ASHER** - He is a Non-Executive Independent Director and Chairperson of the Company. He possesses a wealth of expertise and experience across multiple domains, particularly in various areas of law with specialization in corporate and commercial law and mergers & acquisitions. In addition to his legal expertise, he also brings a diverse skill set encompassing corporate governance, tax, finance, general IT knowledge, behavioural science, strategy management and leadership abilities.
- **MR. SHYAM BHUPATIRAI GHIA** - He is a Non-Executive Director of the Company. His areas of experience encompass corporate governance, general IT knowledge, leadership abilities, strategy management and behavioural science. He has proficiency in finance, tax and law.
- **MR. VIREN RAHEJA** - He is a Non-Executive Promoter Director of the Company. His primary areas of focus revolve around finance and strategy management. He has expertise in areas such as corporate governance, technology, international business, behavioural science, law and tax etc.
- **MS. MONA NINAD DESAI** - She is a Non-Executive Independent Director of the Company. She has a wide range of skills and expertise, including corporate governance, general IT knowledge, behavioral science, legal expertise, finance and leadership abilities.
- **MR. SURIN SHAILESH KAPADIA** - He is the Non-Executive Independent Director of the Company. He has experience in the field of taxation, exchange control laws, mergers & acquisitions, and valuation. His proficiency includes corporate governance, accounts & finance, behavioral science, focus on global business and leadership abilities.
- **MR. P SRIKAR REDDY** - He is the Executive Vice Chairman and Whole-time Director of the Company. He possesses a diverse range of expertise and experience in the information technology, strategy management. His skill set extends to implementing effective corporate governance practices, behavioral science, finance, tax and law. His strong leadership abilities and special focus on global business contribute to his comprehensive understanding of these areas.
- **MR. SAMIR DHIR** - He is the Managing Director & CEO of the Company. As a business leader and technologist, he possesses a broad skill set and extensive expertise across multiple domains. He has a strong knowledge of IT services industry, sales, marketing, delivery, talent and operations. He is well-versed in technological advancements and their applications for enterprises. His special focus on creating customer and employee success and building scaled global businesses comprehensively differentiates Sonata. His proficiency includes corporate governance, finance, behavioural science and leadership abilities.

In addition to the above, each director may possess varied combinations of skills/experience within the described set of parameters. Profile of all Directors are available on the Company's website at Board of Directors.

III AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the requirements of the statutes.

• Terms of Reference

The roles, responsibilities and the terms of reference of the Audit Committee inter-alia include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Listed Company;

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
5. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub- section 3 of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by Management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Modified opinion(s) in the draft audit report.
7. Reviewing, with the management the quarterly financial statements before submission to the Board for approval;
8. Reviewing, with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
9. Review and monitor the auditor's independence and performance and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing, the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there-on;
17. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial

defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary;
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
24. Review the financial statements, internal audit reports, related party transactions and such other information as required under the Act or the Listing Regulations;

In addition to the above, the Audit Committee discharges all such other duties and functions generally indicated under the Listing Regulations, the Act and the Rules made thereunder.

During the Financial Year under review, the Audit Committee met four (4) times on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026 .

The maximum interval between any two meetings did not exceed one hundred twenty (120) days, as prescribed by the Act. The previous 30th AGM of the Company was held on 31st July, 2025 and was attended by Chairperson of the Audit Committee.

The Audit Committee generally invites the Chief Financial Officer, and representatives of the Statutory Auditors and Internal Auditors to the meetings of the Audit Committee and other experts on a need basis. The Company Secretary acts as Secretary to the Committee.

All the recommendations of the Audit Committee made during the year have been accepted by the Board of Directors.

In compliance with the circular dated 7th January, 2026 issued by the National Financial Reporting Authority ("NFRA") and basis the recommendation of the Audit Committee, your Company has constituted Those Charged with Governance ("TCWG") and has also formulated a framework to ensure compliance with the said Circular.

Details of Composition and Attendance of the Audit Committee Meetings during the year:

Name of the Director	Category	Position	No. of Meetings held	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia	Independent Director	Chairperson	4	4
Mr. Shyam Bhupatirai Ghia*	Non- Executive Director	Member	4	4
Mr. Sanjay K Asher	Independent Director	Member	4	4
Ms. Mona Ninad Desai	Independent Director	Member	4	4

* Ceased to be a Member w.e.f. close of 6th February, 2026.
Note: Mr. Viren Raheja, Non-Executive Director inducted as Member w.e.f close of 6th February, 2026.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in accordance with the requirements of the statutes.

- **Terms of Reference**

The roles, responsibilities and terms of reference of the Nomination and Remuneration Committee inter alia include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance

of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;

(a) use the services of external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

4. Devising a policy on diversity of the Board of Directors;

5. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal and shall carry out the evaluation of every directors' performance;

6. Recommend to the Board, all remuneration, in whatever form, payable to senior management;

7. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

In addition to the above, the Nomination and Remuneration Committee discharges such duties and functions generally indicated under the Listing Regulations, the Act, and Rules made thereunder.

During the Financial Year under review, the Nomination and Remuneration Committee met four (4) times on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February 2026. The previous 30th AGM of the Company was held on 31st July 2025 and was attended by Chairperson of the Nomination and Remuneration Committee.

Details of Composition and Attendance of the Nomination and Remuneration Committee Meetings

Name of the Director	Category	Position	No. of Meetings held	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia	Independent Director	Chairperson	4	4
Mr. Sanjay K Asher	Independent Director	Member	4	4
Mr. Viren Raheja	Promoter, Non-Executive Director	Member	4	4

- **Performance Evaluation Criteria**

  The Performance evaluation criteria of Independent Directors are determined by the Nomination and Remuneration Committee and the details of the same is provided in the Board's Report.

- **Succession Planning**

  The Company has implemented an effective mechanism for succession planning which focuses on orderly succession of Board of Directors, Key Managerial Personnel and Senior Management Personnel and other Senior Officers. Company's succession planning aligns talent management with the Company's objectives and endeavors to mitigate the critical risks such as vacancy, readiness and transition. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

- **Details of remuneration paid/payable to all the Directors during the Financial Year ended 31st March, 2026**

₹ in Lakhs

Name	Salary & Perquisites	Commission & Sitting fees	Shares issued under ESOP	Details of service contracts, notice period & severance fees
Mr. Sanjay K Asher		42.40	-	
Mr. P Srikar Reddy	195.67		-	As per agreement dated 25th February, 2026, effective 4th April, 2026 re-appointed as an Executive Vice Chairman & Whole-Time Director
Mr. Shyam Bhupatirai Ghia		43.20	-	
Mr. Viren Raheja		42.00	-	
Mr. Samir Dhir*	946.96	192.53	-	Original agreement dated 9th May, 2022, amended on 14th February, 2023, for re-designation as MD & CEO. ESOPs granted as per employment agreement. Upon the expiration of the term of Mr. Samir Dhir on 8th May, 2026, he decided not to continue and will cease and vacate the office. Further, he has also resigned from the position of the Executive Director of the Company with effect from the close of business hours on 8th May, 2026.
Mr. Surin Shailesh Kapadia		42.80	-	
Ms. Mona Ninad Desai		43.20	-	

* Payable in USD. It includes variable pay and commission for FY 2025-26 which is payable in FY 2026-27. Since the MD & CEO has stepped down on 8th May, 2026 upon expiry of his contract and will not be renewing the same, it does not include other long-term incentives which were payable subject to fulfillment of certain conditions in FY 25-26 and beyond.

Note:

1. All figures rounded off.
2. Mr. Samir Dhir was transferred 44,000 shares under ESOP in FY 26 (explanation: The exercise price and applicable taxes for the said exercise were duly received by the Company prior to the close of FY 25. The corresponding equity shares were transferred subsequent to closure of FY 25 by following due process).

- **Criteria for making payments to Non-Executive Directors**

  The Shareholders at their meeting held on 13th August, 2018 had, by way of Special Resolution authorised the Board of Directors of the Company to pay commission to Non-Executive Directors in such amounts or proportions which cumulatively shall not exceed 1% of the net profits of the Company in any Financial Year.

  Further, as authorized by the Board in the meeting held on 14th February 2012, all Non-Executive Directors are also being paid a sitting fee of ₹ 20,000/- for each meeting of the Board and Committee attended by them from Financial Year 2012-13 onwards.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted and functions in accordance with the requirements of the Companies Act, 2013, Listing Regulations and its Charter.

- **Terms of Reference**

  The roles, responsibilities and terms of reference of the Stakeholders' Relationship Committee inter-alia include the following:

  1. Resolve the grievances of the security holders of the listed entity including complaints related to the transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  2. Review of measures taken for effective exercise of voting rights by shareholders.
  3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the Financial Year under review, the Stakeholders' Relationship Committee met four (4) times on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026.

The previous 30th AGM of the Company was held on 31st July 2025 and was attended by Mr. Shyam Bhupatirai Ghia, Chairperson of the Stakeholders' Relationship Committee.

- **Details of Composition and Attendance of the Stakeholders' Relationship Committee Meetings during the year:**

Name of the Director	Category	Position	No. of Meetings held	
			Held during the tenure	Attended
Mr. Shyam Bhupatirai Ghia	Non-Executive Director	Chairperson	4	4
Mr. P Srikar Reddy	Executive Director	Member	4	4
Mr. Samir Dhir *	Managing Director & CEO	Member	4	3
Ms. Mona Ninad Desai	Independent Director	Member	4	4

*Ceased to be a Member w.e.f close of 8th May, 2026.

During the Financial Year under review, 11 investor grievances were received and all of them were successfully resolved.

The Board has appointed Ms. Mangal Kulkarni, Company Secretary, as the Compliance Officer, as required under the Listing Regulations and as the Nodal Officer and Ms. Nischitha N as the Deputy Nodal Officer, to ensure compliance with the IEPF rules.

VI. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

CSR Vision:

To enhance value creation in the community through Sonata's services, conduct and initiatives, to promote sustained growth in the society and community. The objective is to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all our stakeholders including our community.

The CSR Committee is constituted and functions in accordance with the requirements of the Act and its Charter. The CSR Committee is guided by the Charter adopted by the Board, available on the Company's website at Corporate Governance.

- **Terms of Reference**

The roles, responsibilities and the terms of reference of the CSR Committee inter-alia include the following:

1. Formulate and recommend to the Board, the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time by setting-up a transparent monitoring mechanism for the implementation of CSR projects or programs or activities undertaken by the Company.

The CSR Committee met four (4) times during the Financial Year 2025-26 i.e., on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026.

CSR Report:

The CSR Report as required under the Act, for the year ended 31st March, 2026 is attached as **Annexure III** to the Board's Report, covering the CSR activities, budget, spend, reporting and other details.

Details of Composition and Attendance of the CSR Committee Meetings during the year:

Name of the Director	Category	Position	No. of Meetings held	
			Held during the tenure	Attended
Ms. Mona Ninad Desai	Independent Director	Chairperson	4	4
Mr. P Srikar Reddy	Executive Director	Member	4	4
Mr. Shyam Bhupatirai Ghia	Non-Executive Director	Member	4	4
Mr. Samir Dhir*	Managing Director & CEO	Member	4	3

*Ceased to be a Member w.e.f close of 8th May, 2026.

Environmental, Social and Governance (ESG): The CSR Committee discharges oversight responsibility on matters related to organization wide ESG initiatives, priorities and leading ESG practices.

VII. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors constituted the Risk Management Committee on 13th August, 2018. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company.

The Risk Management Committee is guided by the Charter and the Risk Management Policy adopted by the Board. The Risk Management Policy is available on the Company's website at Corporate Governance.

- **Terms of Reference**

The roles, responsibilities and the terms of reference of the Risk Management Committee inter-alia include the following:

1. To formulate a detailed risk management policy which shall include:
   a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business Continuity Plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;
7. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
8. To monitor and review the matters relating to cyber security.

The Risk Management Committee met two (2) times during the Financial Year 2025-26 i.e., on , 30th July, 2025 and 6th February, 2026.

- **Details of Composition and Attendance of the Risk Management Committee Meetings during the year:**

Name of the Director	Category	Position	No. of Meetings held	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia	Independent Director	Chairperson	2	2
Mr. Viren Raheja	Promoter, Non-Executive Director	Member	2	2
Mr. P Srikar Reddy	Executive Director	Member	2	2
Mr. Samir Dhir *	Managing Director & CEO	Member	2	2

*Ceased to be a Member w.e.f close of 8th May, 2026.

VIII. MEETINGS OF INDEPENDENT DIRECTORS

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company as well as the Board, the Independent Directors need to have meetings without the presence of the executive management. The Independent Directors met more than once and discussed among other matters the performance of the Company and the risks faced by it, competition, strategy, leadership strengths and also assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board and succession planning.

In accordance with Section 149 read with Schedule IV to the Act and Listing Regulations,

two meetings of the Independent Directors were held during the Financial Year 2025-26 without the attendance of the Non-Independent Directors and members of the management. Apart from yearly meeting, the Independent Directors also meet separately quarterly on a need basis, prior to the Audit Committee Meeting or prior to the Nomination and Remuneration Committee meeting.

- **Particulars of Senior Management Personnel as on 31st March, 2026:**

Name of Senior Management Personnel	Designation
Mr. Anthony Lange	Senior Vice President- Chief Revenue Officer
Mr. Balaji Kumar*	Chief Human Resource Officer
Mr. Hemant Kumar Bharadwaj	Senior Vice President-Chief Marketing Officer
Mr. Jagannathan C N	Senior Vice President & Chief Financial Officer
Mr. Rajsekhar Datta Roy **	Senior Vice President-Chief Technology Officer
Mr. Suresh H P ***	Executive Vice President-Chief Delivery officer
Mr. Sujit Mohanty	Executive Vice President-Sales
Ms. Mangal Kulkarni	Company Secretary, Compliance Officer and Head - Legal
Ms. Sharmila Sherikar	Senior Vice President-Head, Corporate Development and AI Initiatives

* Resigned on 27th May, 2025 and rejoined on 14th March, 2026
** Effective 1st April, 2026, he was serving as Chief Delivery Officer. Subsequently, he was appointed as CEO with effect from 9th May, 2026.
*** With effect from 1st April, 2026, Mr. Suresh HP took up the role of Chief Operating Officer.

Note: With effect from 1st April, 2026, Mr. Manu Swami assumed the role of Chief Technology Officer of the Company.

IX. SHAREHOLDERS MEETINGS

- **Details of the last three Annual General Meetings are as follows:**

Financial Year	Date	Venue	Time (IST)
2022-23	31.07.2023	Held through Video conferencing / other Audio-visual means	10.00 a.m.
2023-24	06.08.2024	Held through Video conferencing / other Audio-visual means	2.30 p.m.
2024-25	31.07.2025	Held through Video conferencing / other Audio-visual means	4.00 p.m.

- **Special Resolutions were passed in the previous three AGMs as detailed below:**

a) Financial year 2022-23– Yes, the following Special Resolution were passed for:

i. Approval of the amendment to the Employee Stock Option Plan, 2013 of the Company and authorization to the ESOP Trust to purchase or acquire equity shares of the Company.

ii. Approval and authorization of the payment of managerial remuneration to Mr. Samir Dhir, Managing Director & CEO of the Company, in excess of the limits prescribed under Section 197 and Schedule V of the Companies Act, 2013.

iii. Approval and authorization of the payment of managerial remuneration to Mr. P Srikar Reddy, Executive Vice Chairman & Whole-Time Director of the Company, in excess of the limits prescribed under Section 197 and Schedule V of the Companies Act, 2013.

iv. Approval and authorization of the payment of managerial remuneration exceeding limits of overall maximum remuneration prescribed under Section 197 and Schedule V of the Companies Act, 2013.

b) Financial year 2023-24 – Yes, the following Special Resolutions were passed for:

i. Appointment of Mr. Surin Shailesh Kapadia (DIN: 00770828) as an Independent Director of the Company.

ii. Appointment of Ms. Mona Ninad Desai (DIN: 03065966) as an Independent Director of the Company.

iii. Re-appointment of Mr. Sanjay K Asher (DIN: 00008221) as an Independent Director of the Company, for a second term of five consecutive years.

c) Financial year 2024-25- No Special Resolutions were passed.

- None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

Details of Postal Ballot: The details of the Postal Ballot undertaken during the financial year ended 31st March, 2026 are set out below:

i. Re-appointment of Mr. P Srikar Reddy (DIN: 00001401) as Executive Vice Chairman & Whole-Time Director of the Company

Date of Postal Ballot Notice : 6th February, 2026

Voting period : 2nd March, 2026 to 31st March, 2026

Date of approval : 31st March, 2026

Date of declaration of result : 1st April, 2026

Brief particulars of the resolution	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Re-appointment of Mr. P Srikar Reddy (DIN: 00001401) as an Executive Vice Chairman & Whole-Time Director	Ordinary Resolution	20,21,54,522	20,18,67,420	99.86	2,87,102	0.14

Mr. M V. Bhat, Practicing Company Secretary, was appointed as the scrutinizer for carrying out the postal ballot/ e-voting process in a fair and transparent manner for the above postal ballot conducted during the Financial Year 2025-26.

X. MEANS OF COMMUNICATION

Quarterly results / other information

- The quarterly/yearly results are generally published in Business Standard (all India edition) and in Navshakti (Mumbai edition) newspaper.
- The quarterly financial results, press releases, shareholding pattern and presentations made to analysts/ institutional investors are also made available on Company's website Quarterly Results
- Presentations made to the institutional investors and financial analysts on the Company's financial results are uploaded on the Company's website Quarterly Results
- Your Company also sends quarterly financial updates to all the Shareholders whose e-mail IDs/ addresses are registered/ available with the RTA and the Company.

Frequently Asked Questions (FAQs) giving details about the Company and its shares are uploaded on the Company's website at Investor Relations

XI. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (AGM)

The ensuing Thirty-First (31st) Annual General Meeting of the Company will be held on 31st July, 2026 at 3:00 PM IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). Pursuant to the General Circular No. 03/2025 dated 22nd September, 2025, issued by the Ministry of Corporate Affairs (MCA) read with circulars issued earlier on the subject ("Circulars"), Companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue.

For further details, please refer to the Notice of this AGM.

2. Financial Year

The financial year of the Company is from 1st April to 31st March every year.

3. Dividend

The Company has paid first interim dividend of ₹ 1.25/- per equity share (125%) on 26th August, 2025, second interim dividend of ₹ 1.25/- per equity share (125%) was paid on 4th December, 2025 and third interim dividend of ₹ 1.25/- per equity share (125%) was paid on 2nd March, 2026.

Your Board has recommended a final dividend of ₹ 4.15/- per equity share (415%) subject to the approval of the shareholders at the ensuing AGM. The final dividend, if approved, shall be paid/credited on or after 10th August, 2026.

4. Listing on Stock Exchanges & Stock Code

(a) Your Company's equity shares are listed and traded on the following stock exchanges:

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001

Stock Code: 532221

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051

Stock Code: SONATSOFTW

(b) Listing fees for the Financial Year 2025-26 have been paid to the above-mentioned stock exchanges.

(c) As of 31st March, 2026 your Company had 2,01,519 shareholders.

5. Share Transfer System / Investor Service

Share Transfer System SEBI, effective April 01, 2019, barred the physical transfer of shares of listed companies and mandated transfers only through DEMAT.

However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email addresses, bank account details and mobile numbers with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signatures for their corresponding folios. Shareholders may contact the RTA as per the details given under this report.

As the Company's shares are traded in dematerialized form, transfer requests are processed and approved in electronic form by NSDL/CDSL through their depository participants. The Shareholders may refer to the Notes of the Notice of this AGM regarding the process to be followed for dematerializing their shares or can visit the Company's website at Investor Relations

A Practicing Company Secretary reviews on quarterly basis the Reconciliation of Share Capital as prescribed by SEBI and such report is placed before the Board and submitted to the Stock Exchanges also.

Details of complaints received and resolved from 1st April, 2025 to 31st March, 2026:

Complaints	Received	Resolved	Pending
Non-receipt of dividend	9	9	0
Non-receipt of Annual Report	0	0	0
Others	2	2	0
Total	**11**	**11**	**0**

Investor grievances and investor contacts

The Stakeholders Relationship Committee oversees the redressal of complaints by shareholders and investors. Sonata holds press meet and investor/analyst calls after very quarterly results announcement, which is made accessible to all the shareholders and the general public. The details viz. audio recordings & transcripts of these are sent to the stock exchanges and updated on the website. The Company also holds its Annual General Meeting, which is accessible to all the shareholders. Sonata also participates in various investor conferences where the Management interacts with investors in one-on-one or group meetings. The details of such participation are sent to the exchanges and updated on the website.

Communication with the shareholders

- The quarterly report is sent to the Shareholders to their registered email IDs and the same is sent along with additional information and official news releases, are posted on our website, at Corporate Governance.
- Earnings calls with analysts and investors and their audio recordings along with transcripts are published on our website, at Quarterly Results.
- Other information, such as press releases, stock exchange disclosures and presentations made to investors and analysts, etc., is regularly updated on the Company's website.

6. Distribution of shareholding

(a) Distribution Schedule

Range of equity shares held	As of 31st March, 2026				As of 31st March, 2025			
	No. of share holders	% to total holders	No. of shares	% to total shares	No. of shareholders	% to total holders	No. of shares	% to total shares
1-500	186529	92.56	12726177	4.54	159877	92.52	9728694	3.47
501-1000	7111	3.53	5014580	1.79	5958	3.45	4093133	1.46
1001-5000	6305	3.13	12884003	4.59	5431	3.14	11126714	3.97
5001-10000	796	0.39	5384285	1.92	758	0.44	5077280	1.81
Over 10001	778	0.39	244415771	87.16	777	0.45	250398995	89.29
Total	**201519**	**100.00**	**280424816**	**100.00**	**172801**	**100.00**	**280424816**	**100.00**

(b) Shareholding Pattern

Category	As of 31st March, 2026				As of 31st March, 2025			
	No. of share holders	% to total holders	No. of shares	% to total shares	No. of shareholders	% to total holders	No. of shares	% to total shares
Promoters	5	0.00	78995862	28.17	5	0.00	78995862	28.17
Body Corporates	445	0.22	4639060	1.65	518	0.30	4970676	1.77
FIIs / NRIs	4065	2.02	27823973	9.92	3,729	2.16	33350349	11.89
IFIs/Mutual Funds/ Banks	37	0.02	71647186	25.55	37	0.02	72500252	25.85
Trusts	4	0.00	3637840	1.30	7	0.00	2819802	1.01
Clearing Members	2	0.00	3094	0.00	5	0.00	7,266	0.00
Public	196961	97.74	93677801	33.41	168500	97.52	87780609	31.30
Total	**201519**	**100.00**	**280424816**	**100.00**	**172801**	**100.00**	**280424816**	**100.00**

(c) Top five equity shareholders of the Company

Name of the shareholder	As on 31st March, 2026		As on 31st March, 2025	
	No. of shares	% of holding	No. of shares	% of holding
HDFC Mutual Fund - HDFC Nifty India Digital Index	2,73,64,821	9.76	2,30,78,174	8.23
Hemendra M Kothari	2,55,99,986	9.13	2,55,99,986	9.13
Akshay Rajan Raheja	2,20,00,000	7.85	22,000,000	7.85
Viren Rajan Raheja	2,20,00,000	7.85	22,000,000	7.85
Suman R Raheja	1,84,00,000	6.56	1,84,00,000	6.56

7. Dematerialization of shares and liquidity

Your Company's shares are tradable only in electronic form. The Company has established connectivity with both the depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Registrar and Share Transfer Agent viz., KFin Technologies Limited.

The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE269A01021.

Details of shares held in Physical and Electronic form:

Particulars	As on 31st March, 2026		As on 31st March, 2025	
	No. of Shares	% of paid-up share capital	No. of Shares	% of paid-up share capital
Physical	4,97,798	0.18	5,61,217	0.20
Electronic	27,99,27,018	99.82	27,98,63,599	99.80
Total	**28,04,24,816**	**100.00**	**28,04,24,816**	**100.00**

Number of Shares dematerialized during FY 2025-26: 54,969 Shares.

Number of Shares rematerialized during FY 2025-26: NIL.

8. The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.

9. Office Locations

The addresses and contact details of offices/locations are given elsewhere in the Annual Report. Visit Contact Us.

10. The details of credit rating of the Company as at 31st March, 2026 is given below:

Credit Rating Agency	Instrument details	Amount (in million)	Rating
India Ratings & Research	Long-Term Issuer Rating	-	IND AA-/Stable
India Ratings & Research	Fund-based working capital	INR 2,500	IND AA-/Stable/ IND A1+

11. Tentative financial calendar for FY 2026-27

Financial results for the first quarter ending 30th June, 2026	August, 2026
Financial results for the second quarter ending 30th September, 2026	November, 2026
Financial results for the third quarter ending 31st December, 2026	February, 2027
Financial results for the financial year ending 31st March, 2027	May, 2027
Annual General Meeting for the financial year ending 31st March, 2027	July, 2027

Address and contact details of the Company and Registrar & Share Transfer Agent

Company Secretary

Sonata Software Limited

Tower-A, Sonata Towers, Global Village (Sattva Global City), RVCE Post, Kengeri Hobli, Mysore Road, Bengaluru 560059, India,
Email: investor@sonata-software.com
Website: Sonata Software

Name of RTA: KFin Technologies Limited

Registrar and Share Transfer Agent

Karvy Selenium Tower B, Plot No.31-32 Gachibowli, Financial District Nanakramguda, Hyderabad - 500 032, India

Tel: +91 40 7961 5565 Fax: (040) 23420814

Email: einward.ris@kfintech.com

Website: KFintech

XII. OTHER DISCLOSURES

A. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

None

B. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

None

C. Vigil Mechanism

The Company has established and put in place a Vigil Mechanism which has been approved by the Board at its meeting held on 26th May, 2014 and subsequently revised by the Board at its meeting held on 9th February, 2016, 10th August, 2020 and 25th October, 2023. This policy provides a secure framework to report genuine concerns about unethical behavior, actual or suspected fraud, theft, bribery, misappropriation of Company funds, financial reporting violations, misuse of intellectual property, mismanagement, significant environmental, safety or product quality issues, discrimination or harassment including sexual harassment, insider trading, actual or potential conflicts of interest, violation of Company's rules, Company's policies or violation of Code of Conduct of the Company. The said policy has been communicated to the employees and is also available on the Company's website at Vigil Mechanism.

The Company affirms that no employee has been denied access to the Audit Committee during the Financial Year 2025-26.

D. Website of the Company:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at Investor Relations

E. Reporting of Internal Auditor

The Internal Auditors reports to the Chairperson of the Audit Committee and liaisons administratively with the Chief Financial Officer. The Internal Auditor had regular and exclusive meetings with the Audit Committee on matters relating to audit, risk and compliance amongst other matters.

F. Mandatory/Non-Mandatory Requirements

During the Financial Year 2025-26, the Company –

(a) has duly complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(b) has adopted the following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- The Company has appointed separate persons to the post of Chairman and Managing Director. The Chairman of the Company is an Independent Director.
- The Company allows a direct reporting of Internal Auditor to Audit Committee.

G. Web Link where Policy for Determining 'Material' Subsidiaries is given Below-

The Policy for determining 'material' subsidiaries is posted on Company's website at Policy for determining Material Subsidiaries.

H. Web Link where Policy on dealing with Related Party Transactions is given Below-

The policy on dealing with related party transactions is posted on Company's website at Policy on Related Party Transactions.

I. Disclosure of Commodity Price Risk and Commodity Hedging Activities

Your Company does not have commodity price risk being in the IT sector and hence no commodity hedging is done.

J. Details of Utilisation of Fund

During the year under review, your Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

K. Certificate from Company Secretary in Practice

The Company has obtained a certificate from M/s GDR & Partners LLP, Company Secretaries, as required under Schedule V, Part C, Clause

10(i) of SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

L. Where the Board had not accepted any recommendations of any committee of the board, which is mandatorily required, in the relevant financial year:

None.

M. Auditors Remuneration :

The details of total fees for all services paid/ payable by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

Particulars	₹ in lakhs
Remuneration for audit of the Company and its subsidiaries	213
Remuneration for other services	17
Re-imbursement of out-of pocket expenses	13
Total	**243**

N. Disclosures concerning to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has adopted a gender-neutral Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, for the prevention of sexual harassment which is aimed at providing all employees a safe, secure and dignified work environment and constituted an Internal Complaints Committee to deal with complaints relating to sexual harassment at workplace.

Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment in the workplace. The Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace has been uploaded on the Company's website at POSH Policy

a. the number of complaints filed during the financial year: 2
b. number of complaints disposed of during the financial year: 2
c. the number of complaints pending as of the end of the financial year: NIL
d. Number of cases pending for more than 90 days: NIL

O. Subsidiaries

As on 31st March, 2026, Your Company had 22 subsidiaries. Sonata Information Technology Limited and Sonata Software North America Inc., are considered as material Subsidiaries.

- **Sonata Information Technology Limited**

Sonata Information Technology Limited was incorporated on 29th June, 2000 and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W-100022) conducts its Statutory Audit.

- **Sonata Software North America Inc.**

Sonata Software North America Inc was incorporated on 17th April, 1992 in the State of California, United States of America. As local audit is not applicable, M/s. B S R & Co LLP, Chartered Accountants have audited the financial statements for the year ended 31st March, 2026.

P. Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested with name and amount: None

Q. Disclosure of certain types of agreements binding the Company as stated under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations: None

XIII. NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT OF SUB PARAS (2) TO (10) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Company has complied with all the

requirements of the Corporate Governance report of sub-paras (2) to (10) of part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XIV. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XV. DECLARATION

I, P Srikar Reddy, Executive Vice Chairman & Whole-Time Director of Sonata Software Limited, to the best of my knowledge and belief, hereby declare that all the Directors on the Boards and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2026.

XVI. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

According to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also require to be transferred to the DEMAT account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares are transferred as per the requirement of the rules, details of which are provided on our website, at Sonata Software.

Members who have not yet encashed their dividend warrant(s) of the final dividend for the financial year 2018-19 and onwards are requested to make their claims without any delay. The members who have a claim on the above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www. iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

According to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended by the Ministry of Corporate Affairs with effect from 28th February, 2017 ("the Rules"), in case the beneficial owner has not encashed dividend warrant(s) during the last seven years, shares of such beneficial owners shall be required to be transferred to the Fund established by the Authority. Shareholders are therefore requested to contact Kfin Technologies Limited, Registrar and Share Transfer Agent concerning their unclaimed dividends.

The Company sends regular reminders to shareholders to claim their unclaimed dividends/ shares before it is transferred to the IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to the IEPF, including all benefits accruing on such shares, if any, can be claimed from the IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

The IEPF Authority launched a 100 day campaign, Saksham Niveshak in July 2025 to enhance investor awareness and expedite resolution of pending matters relating to unclaimed dividends, shares transferred to IEPF and updating of KYC & nomination details. In support of this initiative, the Company had published newspaper advertisements, sent emails, issued physical letters, and sent SMSs to applicable Shareholders, urging them to update their KYC and claim their unclaimed dividend(s). This initiative has enabled, payment of multiple outstanding dividend(s) /credit of shares to Shareholders.

XVII. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Practicing Company Secretary's certificate on corporate governance is annexed to the Corporate Governance Report.

CEO / CFO CERTIFICATION

To

The Board of Directors
Sonata Software Limited
Mumbai

We, P Srikar Reddy, Executive Vice Chairman & Whole-Time Director and Jagannathan C N, Chief Financial Officer of Sonata Software Limited, to the best of our knowledge and belief, certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statements for the year ended 31st March, 2026 and:

  (i) These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;

(b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2026, which is fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and Audit committee that for the year ended 31st March, 2026, there were;

  (i) No significant changes in Internal Control over financial reporting during the quarter;

  (ii) No significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statement; and

  (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

(e) the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

P Srikar Reddy
Executive Vice Chairman
& Whole-Time Director
DIN: 00001401

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date: 7th May, 2026

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of Sonata Software Limited
208 T V Indl Estate, 2nd Floor,
S. K. Ahire Marg, Worli,
Mumbai- 400030

We have examined the compliance of the conditions of Corporate Governance by **Sonata Software Limited ('the Company')** for the year ended March 31, 2026, as stipulated under Regulations 17 to 27, clauses (a) to (v) and (y) to (z) of sub-regulation (2) of Regulation 46 and para - C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, **We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2026**.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GDR & Partners LLP,
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review Certificate: 6014/2024
UDIN: F005553H000288099

Place: Bengaluru
Date: May 7, 2026

Certificate of Non-Disqualification of Directors

Certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members,
Sonata Software Limited,
208 T V Indl Estate, 2nd Floor,
S. K. Ahire Marg, Worli,
Mumbai- 400030

We have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **Sonata Software Limited having CIN: L72200MH1994PLC082110** and having its present registered office at **208, T V Industrial Estate, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030.** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In our opinion and to the best of our information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers, **We hereby certify that none of the Directors who were on the Board of the Company as on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.**

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

We have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GDR & Partners LLP,
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review Certificate: 6014/2024
UDIN: F005553H000288099

Place: Bengaluru
Date: May 7, 2026

Business Responsibility and Sustainability Report (BRSR)

SECTION A: General disclosure

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Company**	L72200MH1994PLC082110
2.	**Name of the Company**	Sonata Software Limited
3.	**Year of Incorporation**	18 Oct 1994
4.	**Registered office address**	No. 208, T V Industrial Estate, 2nd Floor, S K Ahire Marg, Worli, Mumbai, Maharashtra 400 030, India
5.	**Corporate office address**	Tower-A, Sonata Towers, Global Village (Sattva Global City), RVCE Post, Kengeri Hobli, Mysore Road, Bengaluru 560059, India
6.	**E-mail**	info@sonata-software.com
7.	**Telephone**	+91 80 6778 1000
8.	**Website**	https://www.sonata-software.com/
9.	**Financial year for which reporting is being done**	2025-2026
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited, National Stock Exchange of India Limited
11.	**Paid-up Capital**	Rs. 28,04,24,816 /-
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	info@sonata-software.com +91 80 6778 1000
13.	**Reporting boundary**	Consolidated
14	**Name of assurance provider**	NA
15.	**Type of assurance obtained**	NA

II. Product/Services

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Information Technology Services and Solutions	IT consultancy, Computer Programming, Modernization, testing support related activities	>90% of the turnover

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Services	NIC Code	% of total turnover contributed
1	Computer Programming, consultancy, and related activities	72291	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S.No.	Location	Number of plants	Number of offices	Total
1	National	NA	11	11
2	International	NA	24	24

19. Markets served by the entity

a. Number of locations served

S.No.	Number of Locations served	Number
1	National (No.of States)	7
2	International (No.of Countries)	17

b. What is the contribution of exports as a percentage of the total turnover of the entity?

39%

c. A brief on types of customers

Sonata Software Limited serves customers across various sectors that include Retail, Manufacturing, Banking, Financial Services and Insurance BFSI, Healthcare and Life Sciences HLS, Technology, Media and Telecom TMT and Emerging Technologies with a geographic presence across America, UK, Ireland, Europe, ANZ, Middle East and APAC.

Sonata focus has been on the following industry verticals

- Agri Production
- BFSI
- Healthcare and Life Sciences
- High Technology
- Independent Software Vendors
- Commodity Business
- Consumer Product Goods
- Energy Resources and Utilities
- Manufacturing and Distribution
- Retail
- Service Industries
- Travel, Transportation and Logistics

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	5948	4110	69%	1838	31%
2.	Other than permanent (E)	438	332	76%	106	24%
3.	**Total employees (D+E)**	6386	4442	70%	1944	30%
	Workers					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	149	125	84%	24	16%
6.	**Total workers (F+G)**	149	125	84%	24	16%

20.b. Differently abled Employees and workers:

S.No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
1.	Permanent (D)	47	34	72%	13	28%
2.	Other than permanent (E)	2	1	50%	1	50%
3.	Total Differently abled employees (D+E)	49	35	71%	14	29%
	Differently abled Workers					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	**Total Differently abled workers (F+G)**	NA	NA	NA	NA	NA

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	7	1	14.29
Key Management Personnel	4	1	25

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in previous FY)			FY 2024(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Total		
Permanent employees	1392	557	1949	1088	426	1514	1083	423	1506
Permanent workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including Joint ventures)

23.a. Names of holding / subsidiary / associate companies / joint ventures

S.no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sonata Information Technology Limited	Subsidiary	100	Yes
2.	Sonata Software Solutions Limited	Subsidiary	100	Yes
3.	Encore IT Services Solutions Private Limited	Subsidiary	100	Yes
4.	Sonata Software North America Inc.	Subsidiary	100	Yes
5.	Sonata Software GmbH	Subsidiary	100	Yes
6.	Sonata Europe Ltd., UK	Subsidiary	100	Yes
7.	Sonata Australia Pty Ltd	Subsidiary	100	Yes
8.	Sonata Software Canada Limited	Subsidiary	100	Yes
9.	Sonata Software (Qatar) LLC	Subsidiary	49	Yes
10.	GAPbuster Inc.	Subsidiary	100	Yes
11.	GAPbuster Worldwide Pty Ltd.	Subsidiary	100	Yes
12.	Sonata Software (Shanghai) Co., Ltd.	Subsidiary	100	Yes
13.	Sonata Software Worldwide Malaysia SDN BHD Subsidiary	Subsidiary	100	Yes
14.	Sonata Software Japan KK	Subsidiary	100	Yes
15.	Sonata Software Intercontinental Limited	Subsidiary	100	Yes
16.	Sonata Latin America S. de R.L. de C.V	Subsidiary	100	Yes
17.	Sonata Software Solutions North America Inc. (Formerly Quant Systems Inc.)	Subsidiary	100	Yes
18.	Sonata Software Technology Private Limited (Formerly Quant Cloud Solutions Private Limited)	Subsidiary	100	Yes
19.	Quant Systems CRC Inc Sociedad de Responsabilidad Limitada	Subsidiary	100	Yes
20.	Woodshed LLC	Subsidiary	100	Yes
21.	Sonata Software Malaysia SDN. BHD.	Subsidiary	100	Yes
22.	Sonata Software Solutions, Egypt	Subsidiary	100	Yes

VI. CSR Details

24.

i. Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

ii. Turnover (in Rs.)

1,070,124 Lakhs

iii. Net Worth (in Rs.)

190,463 Lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Our Third-Party Code of Conduct and Business Ethics, along with the Vigil Mechanism Policy, provides a grievance redressal mechanism for external stakeholders to report concerns. These policies can be accessed through the below link: https://www.sonata-software.com/about-us/investor-relations/corporate-governance	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)		NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		11	0	All the complaints were promptly resolved.	9	0	All the complaints were promptly resolved.
Employees and workers		NIL	NIL	NIL	NIL	NIL	NIL
Customers		NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners		NIL	NIL	NIL	NIL	NIL	NIL
Other (please specify)		NA	NA	NA	NA	NA	NA

26. Overview of the entity's material responsible business conduct issues

Sr.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Human Capital Development, Retention & Labor Practice	Risk	Sonata is a people-centric organization that places strong emphasis on its talent. To drive leadership excellence and scalable growth, the company has strategically aligned its human capital capabilities with evolving technological advancements. As the global shift toward digital transformation intensifies, the growing imbalance in skilled talent has become increasingly evident. Sonata's sustained success is therefore closely tied to its ability to attract, engage, and retain highly skilled technology professionals.	Sonata adopts industry-leading practices to cultivate a strong and collaborative relationship between management and employees. Employee engagement remains consistently high, reinforced through regular engagement initiatives implemented across multiple organizational levels. Sonata's emphasis on its core values—referred to as DNA (Deep Nurtured Attributes)—combined with a comprehensive rewards and recognition framework, further enhances employee commitment and alignment with the organization.	Positive Impact: Improves employee performance and overall experience, directly supporting the Company's growth while enhancing customer satisfaction.

Sr.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Corporate Governance & Business Ethics	Risk and Opportunity	Sonata is dedicated to maintaining high standards of corporate governance. Our goal is to grow long-term value for our shareholders while protecting the interests of everyone involved with the company. We ensure full legal compliance and stay ahead of changing regulations by constantly updating our internal practices.	Sonata has set up clear rules and processes to ensure the company is run fairly and transparently. To stay at the top of their game, recently improved these policies to further strengthen how the organization is governed.	Negative Impact (Mitigated): While implementing high governance standards requires significant resources, it is a vital investment for maintaining the confidence of shareholders, employees, and partners.
3	Privacy Protection & Cybersecurity	Risk	The expansion of Sonata's operations, along with the increased adoption of remote working models, may elevate the risk of data breaches. Strong oversight and adherence to global regulatory requirements are essential to protecting the Company's reputation with clients. Any failure to ensure data privacy or to report incidents in a timely manner could result in potential financial exposure for the Company.	Sonata has achieved successful completion of certification audits for its Information Security Management Framework aligned with ISO 27001 and its Service Management Framework in line with ISO 20000. These accreditations enhance the Company's readiness and capability to provide Cloud Management and Support services.	Negative Impact: These incidents could lead to legal penalties and damage the company's public image.
4	Climate Change (Climate Risk & GHG Emissions)	Risk and Opportunity	Climate-related risks are increasingly impacting Sonata's operational environment and financial performance. The possible implementation of carbon taxation in the near term could influence the Company's growth trajectory. Although transitioning to a low carbon economy may require substantial upfront investment, this shift is expected to yield long term value through the use of renewable energy and the adoption of energy efficient initiatives. Furthermore, Sonata has the potential to unlock new revenue opportunities by developing and offering climate-focused technologies and sustainability-driven services.	Sonata has implemented a comprehensive set of initiatives to enhance energy efficiency and reduce emissions across its operations. These actions have led to measurable reductions in operating costs while significantly lowering the Company's overall carbon footprint. Looking ahead, Sonata is firmly committed to transitioning to renewable energy sources and achieving carbon neutrality by 2030, thereby decreasing reliance on grid based energy and reinforcing its long term sustainability objectives.	Positive Impact: Although compliance with environmental standards may involve a higher initial financial commitment due to increased operating costs, it strategically positions the Company to sustain competitiveness and capitalize on shifting market expectations and preferences.

Sr.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Customer Relationship Management	Opportunity	Customer relationships are central to Sonata's business strategy. The growth of the Company's customer base is closely aligned with the rate at which organizations adopt digital transformation initiatives. Sonata's strong portfolio of digital services has been instrumental in supporting client transformation, underpinned by thought leadership, a customer centric mindset, and operational excellence. In response to evolving customer expectations, the Company has incorporated bots and virtual assistants, which are anticipated to create significant growth opportunities. Additionally, changes in consumer purchasing behavior following the pandemic have encouraged leading market participants to innovate and develop agile solutions that address shifting market needs.	To meet evolving consumer needs, Sonata has developed and introduced Harmoni.AI, a responsible first artificial intelligence platform designed for enterprise use. This end to end solution comprises a range of industry specific applications, service delivery platforms, and accelerators enabled by Generative AI. Sonata's capabilities across Digital and Modern Engineering have matured substantially and continue to advance rapidly to address dynamic customer requirements. The Company's service portfolio encompasses the full spectrum of digital transformation—from strategic advisory and consulting guided by its Platformation approach to the design, development, deployment, and ongoing management of digital platforms.	Positive Impact: Strategic client management and proactive communication have been key to our market success. By leveraging proprietary tools, we have achieved faster delivery speeds, reduced costs, and improved agility. These operational advantages have directly resulted in higher client retention rates and the successful acquisition of new business.
6	Human Rights and Health & Safety	Opportunity	Prioritizing the well-being of our people is a fundamental part of our ESG strategy. Beyond meeting legal safety standards, a healthy work environment creates a more efficient and productive workforce.	By establishing a specialized EHS team, Sonata ensures that health and safety remain at the forefront of its operations. The company's EHS policy provides a consistent framework across all offices to safeguard the well-being of every worker.	Positive Impact:We have improved staff retention by investing in employee experience and career growth. Combining regular engagement activities with a robust system for addressing concerns ensures that our team remains motivated and committed to the organization.
7	Corporate citizenship & Philanthropy	Opportunity	Sonata is committed to generating social and economic value in its operating regions. Through ethical business practices and targeted community initiatives, the company drives inclusive growth and addresses environmental impacts to ensure long-term sustainability.	Sonata uses a disciplined framework to ensure our community initiatives deliver real results. Working alongside NGO partners, we tackle social challenges directly while using a rigorous internal review process to monitor progress, address issues, and maintain high standards of accountability.	Positive Impact:We build confidence with our stakeholders by delivering on our promises. The effectiveness of our initiatives serves as proof of our commitment, further establishing Sonata as a reliable and credible leader in our industry.

Sr.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Risk and Crisis Management	Risk	Sonata actively manages a variety of risks, from climate change to operational stability. Factors beyond our control—such as shifting economic policies, exchange rate changes, and new competitors—can impact our bottom line. Staying ahead of these risks requires us to be agile in navigating the changing legal and regulatory landscapes of the different regions where we operate.	Sonata's risk management framework aligns with its long-term strategic mission. The company maintains a cycle of continuous risk assessment and process improvement. Under this governance model, the Board of Directors defines mitigation strategies, which the Executive Management team executes and reports on through regular performance updates.	Negative Impact:Risk exposure poses a direct threat to Sonata's financial stability and bottom-line performance.
9	Innovation Management	Opportunity	Sonata maintains a robust culture of innovation driven by a highly skilled workforce and dedicated R&D infrastructure. These capabilities have enabled us to expand our service portfolio and optimize the delivery of our software platforms. We provide highly customized solutions tailored to the unique industry, geographic, and technical requirements of our global clients.	Sonata introduced two flagship events aimed at fostering innovation and showcasing technical excellence: Tech Fest: A platform that highlights our most successful projects, proving our ability to deliver complex technical solutions to the market. Sonata Spark: A talent-growth initiative that encourages employees to create innovative tools for our clients. It focuses on finding and scaling new ideas that have the potential to become core business offerings. Through this initiative, Sonata recognized and promoted "innopreneurship" by offering funding support across Series A, B, and C rounds, cash rewards, opportunities for patent filings or publications, and showcasing innovations at the Sonata Customer Experience Centre (CEC).	Positive

Sr.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Resource Management (Water & Waste)	Opportunity	Resource efficiency is a strategic opportunity to optimize operations while minimizing environmental impact. Our implemented solutions have generated substantial cost savings and directly supported our environmental sustainability objectives.	Sonata has undertaken several initiatives to promote energy and resource efficiency, including: Energy & Resource Optimization: Systems & Automation: Deployed energy-efficient hardware and advanced automation tools. Real-time sensors and meters now provide daily monitoring of Air Handling Unit (AHU) run hours to drive efficiency. Water Infrastructure: Implemented the HUIDA technology-driven management system to optimize water consumption across facility washrooms.	Positive Impact:The implementation of various cost-efficiency measures has led to favorable financial outcomes for the Sonata.
11	Supply Chain Management	Risk and Opportunity	Sonata manages a diverse supplier network essential to our service delivery. Rising client demand for transparency requires us to prioritize suppliers with proven sustainability records. We now assess all vendors against rigorous ESG criteria to mitigate operational risks. Since supplier performance is a direct reflection of our own, we maintain a diligent sustainable procurement strategy to ensure supply chain resilience.	Sonata has expanded its supplier evaluation process to incorporate environmental and social governance. By balancing ESG indicators with traditional performance factors, Sonata is building a more resilient value chain that reflects its commitment to sustainable business practices.	Positive Impact: A structured integration of sustainability across the value chain allows Sonata to proactively mitigate supply chain risks and minimize potential disruptions. This disciplined approach ensures operational continuity and strengthens overall organizational resilience

SECTION B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. (a)	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1 (b)	Has the policy been approved by the Board? (Yes/No)	Y*	N	N	Y	N	N	N	Y	Y
1 (c)	Web Link of the Policies, if available									
P1	* Vigil Mechanism Third Party Code of Conduct and Business Ethics code of business conduct ethics * code of conduct for directors and senior management.pdf									
P2	code of business conduct ethics coc supplier human rights policy equal opportunity diversity inclusion policy ehs policy									
P3	ehs policy human rights policy equal opportunity diversity inclusion policy									
P4	Corporate Social Responsibility Policy									
P5	human rights policy equal opportunity diversity inclusion policy									
P6	Sustainability policy ehs policy									
P7	code of business conduct ethics Corporate Governance									
P8 & P9	Corporate Governance Corporate Social Responsibility Policy									
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	a. ISO 9001: 2015 for Quality management system. b. ISO 20000-1 for Service Management System c. ISO 27001 for Information Security Management System d. ISO 14001 for Environmental management systems e. ISO 45001 for Occupational Health and Safety Management Systems f. 3rd Party Assurance for Greenhouse Gas Emissions Scope1,2,3 asper GHG protocol g. UNGC signatory								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Environment**: • Net Zero emission by 2050 **Social:** • Audit/Assessment of 10% Tier-1 suppliers. • Aim to increase share of women in total workforce to 34-35%								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same is not met.	**Environment:** • Net Zero emissions by 2050 : **Social:** • Audit/Assessment of 10% Tier-1 suppliers.: Achieved • Aim to increase share of women in total workforce to 34-35%								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At Sonata, Environmental, Social, and Governance (ESG) considerations remain integral to our long-term strategy and value creation. During FY 2025–26, we continued to strengthen our ESG focus while operating within an evolving business and regulatory environment.

Our efforts during the year were directed toward reducing our environmental footprint through enhanced energy efficiency and digital sustainability initiatives, alongside reinforcing our commitment to diversity and inclusion across the organization. We also sustained our focus on community development, furthering our objective of contributing to inclusive and responsible growth.

As we move forward, we remain committed to deepening the integration of ESG principles into our core operations, strengthening governance frameworks, and maintaining transparent engagement with stakeholders. We believe these efforts will enable us to build a resilient, responsible, and future-ready organization..

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The Board level Corporate Social Responsibility (CSR) Committee is responsible for the implementation and oversight of the Business Responsibility Policy.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Board's Corporate Social Responsibility (CSR) Committee also provides oversight on sustainability matters. The Committee meets at least four times during the financial year to review and deliberate on CSR and sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director (D)/ Committee of the Board (C)/ Any other Committee (A)									Frequency (Annually (A)/ Half yearly (HY)/ Quarterly (Q)/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	C	A	A	C	A	A	A	C	C	A	A	A	Q	A	A	A	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	C	A	A	C	A	A	A	C	C	A	A	A	Q	A	A	A	Q	Q

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	NA	NA	NA	NA	NA	NA	NA	NA	NA

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: Principle-wise performance disclosure

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

S.No	Segment	Total number of training & awareness programmes held	Topics / principles covered under the training	% age of persons in respective category covered by the awareness programmes
1	Board of Directors	1 training Session (Annual)	As part of annual strategy planning process, the Company had organized the familiarization programmes to its Independent Directors including KMPs.	100%
2	Key Managerial Personnel	1 training Session (Annual)	As part of annual strategy planning process, the Company had organized the familiarization programmes to its Independent Directors including KMPs.	100%
3	Employees other than BoD and KMPs	1919 Total number of training Tech & Non Tech (ILT 330 & 1589 Self Learning Programs) AI(Gen AI,LLMs, Prompt Engineering, Harmoni.ai, Azure Open AI, AWS Bedrock, Copilot,Agentic AI, Vibe Coding,SDD), Cloud (Azure, AWS, GCP,ITIL,Security), Dynamics(F&O, CE, PP), Power (BI, APPs, Automate), FED /Web(Node, React, Angular, Typescript, Microservices), Database(SQL, NOSQL, Cosmos), Agile, Python, Data Analytics (AI, ML, Azure Data Analytics services, Fabric, RTA, Snowflakes), Testing, Devops(Docker, Kubernetes), Project Management, System Training & Process Training	Non Technical: POSH, ESG, Infosec	84% 92%

S.No	Segment	Total number of training & awareness programmes held	Topics / principles covered under the training	% age of persons in respective category covered by the awareness programmes
4	Workers	12	EHS Office ESI & PF awareness; Basics of FIRE and SAFETY; About PF & ESI Punctu-ality; About PPE & Usage; AED Operation; Crisis and Disaster man-agement; Basic Cleaning Process-Self inspection the area; Access Control and Basic of Fire;Awareness training on sustainability; FIRST AID; Communica-tion Skills; Con-tractor trainings-UDS TRAINING;Grooming; Basic Cleaning Process-Self inspection the area; Critical area & Equipment; Discipline	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NIL	NIL	NIL	NIL	
Punishment	NIL	NIL	NIL	NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Sonata's Code of Business Conduct and Ethics is aligned with all applicable laws and regulatory requirements, including those relating to anti bribery, anti corruption, and the ethical handling of conflicts of interest. The Company is committed to maintaining the highest levels of integrity, accountability, and transparency across its business operations. In addition to the Code, Sonata has established a comprehensive Anti Corruption Policy that applies to all individuals associated with its affiliates, subsidiaries, and joint ventures, irrespective of role or seniority. This policy underscores Sonata's zero tolerance stance toward corruption and is readily available to employees through the internal intranet portal.

https://www.sonata-software.com/sites/default/files/financial-reports/2025-12/code_of_business_conductethics.pdf

https://www.sonata-software.com/sites/default/files/financial-reports/2025-12/globalanticorruptionandantibriberyprocedure.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	Particulars	FY - 2026 (Current Financial Year)	FY - 2025 (Previous Financial Year)
1	Directors	NIL	NIL
2	KMPs	NIL	NIL
3	Employees	NIL	2
4	Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest

	Particulars	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
		Number	Remarks	Number	Remarks
1	Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
2	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Segment	FY - 2026 (Current Financial Year)	FY - 2025 (Previous Financial Year)
Number of days of accounts payables	78	72

9. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Na	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA(All sales are to direct customers)	NA(All sales are to direct customers)
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b. Sales (Sales to related parties / Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	NA	NA

Note: The details in the above table has been computed based on consolidated financial statements of the Company.

II. LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics/principles covered under the training	%age of value chain partners covered (by the value of business done with such partners)under the awareness programs
4	Environmental, Health, Safety, Office Safety, Safe Driving, ESG, Sustainable procurement.	60%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the entity has established a Code of Conduct for its Directors and Senior Management, which includes 'conflict of interest' as a key component. All members of the Board of Directors and Senior Management Personnel are required to affirm their compliance with this Code on an annual basis.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

I. Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

2.

a. Does th e entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

60%. We have ongoing Supplier Assessments with our value chain

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging): Not Applicable

(b) E-waste: Not Applicable

(c) Hazardous waste and: Not Applicable

(d) other waste: Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

II. LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	The boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No), If yes, provide the web-link.
We have not conducted LCA for our services	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
We have not conducted LCA for our services	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particular	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
NA	NA

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

I. ESSENTIAL INDICATORS

1.

a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4110	4110	100%	4110	100%	NA	NA	4110	100%	NA	NA
Female	1838	1838	100%	1838	100%	1838	100%	NA	NA	1838	100%
Total	**5948**	**5948**	**100%**	**5948**	**100%**	**1838**	**100%**	**4110**	**100%**	**1838**	**100%**
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	125	125	100%	125	100%	NA	NA	NA	NA	NA	NA
Female	24	24	100%	24	100%	NA	NA	NA	NA	NA	NA
Total	149	149	100%	149	100%	NA	NA	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY - 2026 Current Financial Year	FY - 2025 Previous FinancialYear
Cost incurred on wellbeing measures as a % of company	0.51	0.35

2. Details of retirement benefits for Current and Previous FY

S. No.	Benefits	FY 2026			FY 2025		
		No. of employees covered as a % of total employees	No. of work-ers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	NA	Yes	100%	NA	Yes
2	Gratuity	100%	NA	Yes	100%	NA	Yes
3	ESI	100%	NA	Yes	100%	NA	Yes
4	Suprean-nuation	100%	NA	Yes	100%	NA	Yes
5	NPS	100%	NA	Yes	100%	NA	Yes

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Sonata is committed to ensuring that our workplaces are accessible to all employees and visitors, including those with disabilities. We have taken steps to ensure that our buildings are equipped with essential features such as low-slope ramps, elevators, and accessible washrooms. In compliance with the Rights of Persons with Disabilities Act, 2016, our facilities are designed to meet the needs of differently-abled individuals, providing an inclusive and supportive environment for all.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Sonata have an Equal Opportunity, Diversity and Inclusion policy. Web link mentioned below equal_opportunity_diversity_inclusion_policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention Rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	We have a policy called Grievance redressal. Grievances can be raised on a portal exclusively meant for grievances and the concerned will be securely sent to the Grievance Committee members
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	Fixed term employees are under the same program as permanent employees. Contractors (contractors are on third party rolls) and independent consultants are not eligible

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY - 2026 (Current Financial Year)			FY - 2025 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY2026 Current Financial Year					FY2025 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation (D)		Total (D)	On Health and safety measures	% (E / D)	On Skill upgradation (D)	% (F / D)
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)		No. (F)	
Employees										
Male	4426	2415	55%	3649	82%	4784	2291	48%	3741	78%
Female	1933	1127	58%	1664	86%	2089	1061	51%	1692	81%
Total	6359	3542	56%	5313	84%	6873	3352	49%	5433	79%
Workers										
Male	125	125	100%	125	100%	139	139	100%	139	100%
Female	24	24	100%	24	100%	25	25	100%	25	100%
Total	149	149	100%	149	100%	164	164	100%	164	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY - 2026 Current Financial Year			FY - 2025 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4110	3718	90%	4784	3856	81%
Female	1838	1603	87%	2089	1650	79%
Total	5948	5321	89%	6873	5506	80%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes

Sonata has established a comprehensive Environmental, Health, and Safety (EHS) policy to drive continuous improvement in workplace well-being. The company recognizes its broader responsibility to environmental and social stakeholders and remains committed to maintaining high standards for employee health and safety.

Key components of the EHS Management System include:

Policy and Oversight: Sonata's EHS policy provides a strategic framework for excellence in health and safety. A dedicated internal EHS team leads the organization's efforts, providing active monitoring and management of all safety initiatives to ensure consistent standards.

Infrastructure and Signage: Sonata has installed critical fire, electrical, and safety signage across all Indian office locations. The EHS team facilitates employee awareness programs to ensure universal understanding and strict adherence to these established safety protocols.

Observation and Corrective Action: Sonata conducts monthly tracking of unsafe observations across all geographic locations. These findings are formally documented in a central EHS register, triggering immediate corrective actions to eliminate identified risks and prevent operational hazards.

Emergency Preparedness: Sonata maintains a formal Emergency Preparedness Plan to provide employees with the necessary knowledge and procedural training for crisis response. This framework encompasses standardized evacuation protocols, first aid procedures, and fire safety measures to ensure a coordinated response to workplace emergencies.

EHS Audits: Sonata evaluates the compliance status of each office through a standardized EHS Audit checklist. This systematic framework

ensures that any operational gaps are identified and addressed consistently across the organization.

Training and Awareness Programs: Sonata conducts frequent health and safety sessions, including professional seminars and workshops. These programs ensure that all personnel remain well-informed and fully capable of maintaining high safety standards across our work environments.

Incident Management: Sonata utilizes a structured process that encompasses formal investigation, internal communication, and rigorous documentation. By applying root cause analysis and implementing strategic control measures, the company ensures that every reported incident is recorded in the Incident Register and resolved through targeted corrective and preventive actions.

10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Sonata's Environmental Health and Safety (EHS) team follows a methodical process to identify workplace hazards. To facilitate this, a comprehensive Hazard Identification and Risk Assessment (HIRA) document has been developed. This framework is utilized by the EHS team to systematically identify hazards, evaluate risks, and establish the operational controls required to mitigate or eliminate those risks effectively.

10. c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

10. d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format

S. No.	Safety Incident/ Number	Category	FY2026 Current Financial Year	FY2025 Previous Financial Year
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
		Workers	0	0
2	Total recordable work-related injuries	Employees	0	0
		Workers	0	0
3	No. of fatalities	Employees	0	0
		Workers	0	0
4	High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
		Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Sonata regularly conducts office safety sessions to inform the workforce of critical safety guidelines and best practices for daily operations. These sessions address diverse topics, such as fire safety and electrical precautions.

Additionally, mental health webinars are organized to emphasize psychological well-being and provide effective methods for managing stress. Comprehensive EHS training is also delivered to administrative, security, and housekeeping staff to ensure they maintain full awareness of safety protocols. Furthermore, employees are provided with First Aid training to improve organizational readiness for emergency situations.

13. Number of Complaints on the following made by employees and workers:

	FY - 2026 (Current Financial Year)			FY - 2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

II. LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Sonata ensures that statutory dues are deducted and deposited in compliance with applicable regulations. This has been tested by our statutory auditors along with IFC testing, and we maintain consistent governance with our partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

SR.	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY - 2026 (Current Financial Year)	FY - 2025 (Previous Financial Year)	FY - 2026 (Current Financial Year)	FY - 2025 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	60%
Working Conditions	60%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NIL

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

I. ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

We have identified both internal and external stakeholders by evaluating their level of influence and importance to our operations. Stakeholder engagement remains a key focus area, with priorities determined through structured discussions involving the management team. Understanding stakeholder expectations enables us to better align our strategies, policies, and action plans across environmental, economic, and social dimensions. Our key stakeholders include investors, customers, employees, regulators, vendors and suppliers, industry associations, and local communities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS,Newspaper,Pamphlets, Advertisement,Community Meetings, Notice Board,Website), Other,	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Company website, social media, Customer surveys, Emails, Telephonic Conversations	As needed	Resolution of any delivery challenges and feedback on technology and services
Investors	No	Annual General Meeting, Investor's page on Company's website, Press releases and Conferences	Quarterly	Sonata's business performance, strengths, business strategy for growth and expansion
Employees	No	Emails, Townhalls, Employee Engagement Surveys, , Performance Evaluations, Company website	Continuous	Growth and development, Feedback and Grievance Redressal, Training, Workplace experience, Corporate Communications
Regulators	No	Interactions with statutory bodies.	As needed	Compliance with local laws and regulations
Industry Associations	No	Conferences, Industry Performance Meetings	As needed	Industry and ESG Trends, emerging best practices, Technology Landscape
NGOs	Yes	Online / Offline meetings, Emails, Website, Social media posts.	Weekly/Monthly between CSR partners and CSR leads	To cater to our community in a responsible & sustainable way, we engage with our community through our CSR Channel partners & projects.
Vendors & Suppliers	No	Email, Meetings, Website	Yearly	Compliance, Value Add, operations, commercial discussion, and sustainability

II. Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Sonata proactively engages with its stakeholders to identify and address material economic, environmental, and social matters. A detailed materiality assessment has been carried out to determine issues of greatest significance to both the organization and its stakeholders.

The Company maintains ongoing dialogue with stakeholders to communicate its ESG objectives, targets, and performance. These engagements are conducted through multiple platforms, including conference calls, email communications, the corporate website, and statutory disclosures. Governance oversight of ESG matters is provided by the CSR & Sustainability Board Committee, which convenes quarterly to review progress and key issues. In addition, ESG related risks are reviewed by the Board Risk Management Committee to ensure alignment with the Company's overall strategic direction.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity**

   Yes, Sonata's ESG strategy is shaped by insights gained through active stakeholder engagement. These interactions have been essential in identifying key environmental and social factors relevant to the business, allowing Sonata to align its sustainability initiatives with both stakeholder expectations and core business priorities.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Sonata's CSR programs are designed with a strong focus on creating meaningful impact for vulnerable and underserved communities. The Company has instituted a structured evaluation and grievance feedback mechanism to track implementation progress and address issues highlighted by beneficiaries. Oversight of CSR activities is exercised through regular reviews by the CSR Committee, ensuring accountability, transparency, and alignment with stated objectives.

   The Company also maintains ongoing engagement with local suppliers and vendors through well defined forums, including virtual and in person meetings and capacity building sessions. Supplier performance is periodically assessed, and constructive feedback along with necessary guidance is provided to encourage ethical conduct, compliance, and sustainable operational practices.

Principle 5: Businesses should respect and promote human rights.

I ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format**

Category	FY - 2026 Current Financial Year			FY - 2025 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	4426	4000	90%	6414	5857	91%
Other than Permanent	1933	1806	93%	459	444	97%
Total employees	**6359**	**5806**	**91%**	**6873**	**6301**	**92%**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	149	149	100%	164	164	100%
Total workers	**149**	**149**	**100%**	**164**	**164**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Permanent										
Male	3724	0	0	3724	100%	4466	0	0	4466	100%
Female	1707	0	0	1707	100%	1948	0	0	1948	100%
Other than permanent										
Male	332	0	0	332	100%	318	0	0	318	100%
Female	106	0	0	106	100%	141	0	0	141	100%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	125	0	0	125	100%	139	0	0	139	100%
Female	24	0	0	24	100%	25	0	0	25	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category(INR in lakhs)	Number	Median remuneration/ salary/ wages of respective category(INR in lakhs)
Board of Directors (BoD)*	4	42.60	1	43.20
Key Managerial Personnel (KMP)	3	147.49	1	78.37
Employees other than BoD and KMP	4126	16.90	1824	11.10
Workers	NA	NA	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Gross wages paid to females as % of total wages	22.6%	23.25%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Sonata is committed to upholding the dignity of individuals and fostering fairness within the organization. To support this, the company has established a grievance redressal policy that allows employees to raise concerns. These grievances are reviewed and addressed by a dedicated committee formed at the organizational level.

The policy is applicable to all employees and encourages them to submit complaints in writing, supported by factual information and detailed specifics to facilitate effective resolution. Additionally, Sonata has other mechanisms in place, such as the POSH Internal Committee, which handles and investigates cases related to sexual harassment. This committee is constituted in accordance with legal requirements.

6. Number of Complaints on the following made by employees and workers:

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	NA	1	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2 cases reported. Both have been closed within stipulated timeline	Received one complaint and disposed off within the prescribed timeline
Complaints on POSH as a % of female employees / workers	Less than 1%	less then 1%
Complaints on POSH upheld	1	NA as it was resloved through conciliation

Note: The above data is for India operations.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We follow equal opportunity, diversity and inclusion policy in Sonata. We have robust mechanisms that promote equitable and unbiased practices across the organization, while ensuring that our colleagues do not suffer any discrimination in the workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year

Section	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% The Company remains fully committed to the protection and promotion of human rights and ensures full compliance with all applicable legal and regulatory requirements. Human rights principles are systematically embedded within contractual arrangements and business agreements, with ongoing monitoring mechanisms in place to ensure adherence. Additionally, Sonata has undertaken a comprehensive Human Rights Due Diligence (HRDD) process to identify, assess, and address relevant human rights risks across all its operational locations.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not applicable. Compliance with applicable laws is ensured through robust internal governance frameworks designed to identify and manage associated risks.

II. LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Policy remains the same and uploaded on portal

2. Details of the scope and coverage of any Human rights due-diligence conducted.

In line with the Company's Human Rights Policy, Sonata is committed to respecting, protecting, and upholding human rights across all its operations. Any identified human rights violations are subject to a thorough review in accordance with internal policies, applicable laws, and contractual obligations. Where warranted, appropriate corrective and disciplinary actions are initiated to address such breaches.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we have taken the necessary actions to ensure accessibility for differently-abled visitors, providing an inclusive and welcoming environment for all.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Please see note under "Others"
Discrimination at workplace	Please see note under "Others"
Child Labour	Please see note under "Others"
Forced Labour/In-voluntary Labour	Please see note under "Others"
Wages	Please see note under "Others"
Others – please specify	60 % of our supplier were assessed on following parameters- Environment management • Employment practices • Corporate Social Responsibility • Safety and health at workplace • Greenhouse gas emissions • Waste and Air pollutions • Green packaging • Green product • Awards and certifications We ask what the company does to apply fair employment practices, prevent child labor, provide equal wages, protect against harassment, equal opportunity, maternity care etc. to your workforce employees and sub-contractorss.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Post assessment outcomes indicated the need to strengthen sustainability and ESG awareness among local vendors. In response, Sonata conducted focused training programs for its suppliers, aimed at sharing industry best practices and enhancing understanding of ESG principles. These initiatives are designed to build supplier capabilities and encourage responsible and sustainable practices across the value chain.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

I. Essential Indicators

1. Details of total energy consumption (in MJ) and energy intensity, in the following format

Parameter	FY 2026 (Current Financial Year) (in MJ)	FY 2025 (Previous Financial Year) (in MJ)
From renewable sources		
Total electricity consumption (A)	10,799,728	9303665
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	10,799,728	9303665
From non-renewable sources		
Total electricity consumption (D)	2109036	2530725
Total fuel consumption (E)	0	146642
Energy consumption through other sources (F)	0	0
Total energy consumed from nonrenewable sources (D+E+F)	2109036	2677 367
Total energy consumed (A+B+C+D+E+F)	12,908,764	11981032
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (in MJ/rupees)	0.0001206	0.0001179
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.002453587	0.0024369
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

* Boundary — Electricity consumption is reported for India Location. The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by the World Bank for India which is 20.34

1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1109	4073
(iii) Third party water	8322	3214
(iv) Seawater / desalinated water	0	0
(v) Others	0	0

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**9431**	**7287**
Total volume of water consumption (in kilolitres)	**9431**	**7287**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000008813	0.000000072
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00000179	0.00000148
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Boundary — Water consumption and Withdrawal is reported for India locations

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NA.

4. Provide the following details related to water discharged:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	1162	3675
- With treatment – please specify the level of treatment	2781	764.65
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
Total water discharged (in kiloliters)	**3943**	**4440.53**

***Boundary — Water discharged is reported for India locations.**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Sonata has deployed Zero Liquid Discharge (ZLD) systems at two Bangalore facilities to highlight its commitment to sustainable water management. These systems demonstrate our dedication to environmental responsibility through advanced conservation practices.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
NOx	mg/nm3	NA	NA
SOx	mg/nm3	NA	NA
Particulate matter (PM)	mg/nm3	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	4.59	81.6
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH^4, N^2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO_2 equiva-lent	564.90	637.3
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.00000000532	0.00000000708
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0000001082	0.0000001462
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

*Boundary — Scope 1 emissions reported for India locations

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes,Sonata has established an extensive program dedicated to reducing greenhouse gas (GHG) emissions. Driven by our environmental sustainability commitment, we continuously monitor our footprint and strive to minimize emissions.

The following key initiatives drive this program:

Operational Optimization: Engineering equipment is regulated during non-operational hours to conserve energy. This systematic control ensures that power consumption is minimized when facilities are not in active use

Water Efficiency Measures: Low-flow aerators are installed on sensor taps at hand wash basins, and low-flow faucets are utilized in pantry and cafeteria dishwashing areas. These upgrades ensure significant water conservation across all high-use office zones.

Air Handling Efficiency: Back dampers are provided for Air Handling Units (AHUs) to automatically close whenever a unit is turned off. This mechanism prevents air leakage and ensures the integrity of the climate control system during non-operational periods.

Cooling Efficiency Enhancements: Cold aisle containment is implemented to improve cooling effectiveness and energy efficiency within data centre environments. This structural optimization ensures that cold air is precisely directed to critical equipment, reducing overall power consumption.

Temperature Set-point Adjustments: Office space temperature set-points are standardized at 24°C to enhance energy savings. This uniform adjustment ensures a consistent indoor climate while significantly reducing the load on the building's cooling infrastructure.

Diesel Generator Optimization: The frequency of DG A-checks is adjusted to a fortnightly schedule to reduce fuel consumption and carbon emissions. This revised maintenance cadence ensures that generators operate at peak efficiency while minimizing the environmental impact of routine testing.

Load Management: Unnecessary electrical loads are eliminated during weekends by deactivating heating elements in vending machines, switching off lighting circuits, and disconnecting manually operated devices. This rigorous shutdown protocol ensures that phantom power consumption is minimized during non-business hours.

Renewable Energy Utilization: The electricity requirements of Sonata's Global Village offices in Bengaluru are met through renewable energy sources. This approach reinforces the organization's commitment to reducing its carbon footprint and promoting sustainable practices across its primary operations.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
	Total Waste generated (in metric tonnes)	
Plastic waste (A)	1.58	0.4
E-waste (B)	0.0	0.08
Bio-medical waste (C)	0.06	0.0
Construction and demolition waste (D)	0.0	0.0
Battery waste (E)	0.0	11.31
Radioactive waste (F)	0.0	0.0
Other Hazardous waste. Please specify, if any. (G)	0.0	0.0
Other Non-hazardous waste generated (H). Please specify, if any. (Break up by composition i.e. by materials relevant to the sector)	23.28(Paper: 10.96, Wet waste:12.31)	29.3 (Paper 13.8, Wet waste: 13.6, Other 1.8)
Total (A+B + C + D + E + F + G + H)	**24.92**	**41.15**
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations)	0.000000000233	0.000000000405
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated /Revenue from operations adjusted for PPP)	0.0000000047	0.0000000083
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) –the relevant metric may beselected by the entity	NA	NA

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
	Total Waste generated (in metric tonnes)	
For each category of waste generated, total waste recovered through recycling, re-using or ther recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**NA**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		NA
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	24.92	NA
Total	**24.92**	**NA**

*Boundary — Waste generated in operations is reported for India location.
*Other disposal operations:- Sent to municipal corporation

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As an IT services firm, Sonata Software's primary waste streams consist of asset disposal, diesel generator (DG) operations, and pantry waste. We maintain full compliance with all regulatory requirements for the disposal of electronic and hazardous materials.

Key initiatives undertaken for responsible waste management include:

Regulatory Compliance: Sonata ensures full adherence to local and national regulations regarding the safe disposal of e-waste and hazardous materials. By following these legal frameworks, we mitigate environmental risks and maintain high standards of corporate accountability.

Asset Management Policy: Our policy prioritizes the maintenance and durability of electronic assets to ensure they are handled correctly and their operational lifecycles are extended. By focusing on longevity, Sonata minimizes its environmental impact through responsible resource management.

Authorized Disposal: Sonata ensures that all end-of-life electronics are handled only by authorized e-waste recyclers, fostering a commitment to environmentally sound management. This partnership ensures that retired assets are dismantled and recycled using responsible, verified methods.

Use of Refurbished Equipment: Sonata prioritizes the procurement and deployment of refurbished laptops whenever possible to minimize the creation of electronic waste. This initiative demonstrates our commitment to resource efficiency and a reduced corporate carbon footprint.

Recycling Focus: Sonata actively drives recycling programs throughout its offices to reduce the amount of waste sent to landfills. By prioritizing the recycling of pantry items and office consumables, we are successfully lowering our environmental footprint and encouraging responsible disposal habits.

By implementing these initiatives, we strive to minimize our environmental impact and foster a culture of sustainable consumption across our operations. These actions represent our ongoing commitment to balancing business performance with planetary health.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	NA	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S.No.	Specify the law/ regulation/ guidelines which were not complied with	Provide details of the non-compliance	Any fines / penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	NIL	NIL	NIL	NIL

II. LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): For each facility / plant located in areas of water stress, provide the following information: NA

(i) Name of the area

NA

(ii) Nature of operations

NA

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third-party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify the level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify the level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify the level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify the level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	**NA**	**NA**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NA

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2953.49	2168.91
Total Scope 3 emissions per rupee of turnover		0.00000002760	0.00000002135
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Boundary — India locations

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Earthood Services Private Limited has done the assurance for FY 2026

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

NA

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy-Efficient Operational Controls	Engineering equipment is systematically regulated during non-operational hours to enhance energy conservation.	Improved energy efficiency and reduced energy use
2	Water Conservation Initiatives	Low-flow aerators and water-efficient fixtures have been installed across handwash basins, pantry spaces, and dishwashing areas to optimize water consumption.	Reduced overall water usage
3	Advanced Cooling Efficiency Solutions	Cold aisle containment systems have been implemented to strengthen cooling performance and improve energy efficiency within data centers.	Lower energy consumption and reduced emissions
4	Sustainable Renewable Energy Adoption	Renewable energy sources are increasingly integrated into overall energy consumption practices.	Decreased carbon emissions
5	Bathroom Water Efficiency Systems	HUIDA systems have been deployed in office washrooms to improve water efficiency beyond conventional flush systems.	Significant reduction in water consumption
6	Preventive Maintenance Framework	Regular servicing of UPS systems and air-conditioning plants is conducted to maintain peak operational performance and minimize energy losses.	Enhanced operational efficiency
7	Optimized Temperature Management Practices	Space temperature set-points have been standardized at 24°C to optimize cooling efficiency and reduce unnecessary power usage.	Reduced power consumption and lower emissions

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Sonata is certified against ISO 22301 – Business Continuity Management System (BCMS). BCMS provides a framework for organizations to plan, establish, implement, operate, monitor, review, maintain, and continually improve a documented management system to protect against, reduce the likelihood of, and ensure recovery from disruptive incidents.

Key components of the plan include:

- Emergency Procedures and Evacuation Protocols: The plan outlines detailed procedures for emergency response, including evacuation strategies, with special consideration for vulnerable employees.
- Roles and Responsibilities: Specific personnel are identified and assigned responsibilities for managing and executing emergency response operations.
- Coordination with External Parties: The plan

ensures effective coordination of emergency response activities with Landlord Teams and relevant Government Authorities.

- Risk Assessments: Comprehensive risk assessments have been conducted for various potential threats, including:
- Fire and Electrical Hazards
- Human-Caused Incidents (e.g., bomb threats, suspicious devices, unauthorized access, acts of violence)
- Natural Disasters (e.g., earthquakes, building collapse, floods, storms)
- Health-Related Risks (e.g., pandemics, epidemics, including COVID-19)
- Hazards from LPG and other volatile substances

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

At Sonata, supplier assessment and engagement are fully embedded within the Company's broader supply chain management framework. As part of this process, all suppliers providing products and services are required to complete a Supplier Environment Assessment Form, which evaluates performance across key sustainability parameters, including greenhouse gas (GHG) emissions and commitment to environmental initiatives.

Sonata conducts quarterly engagements with its suppliers, which include targeted training sessions aimed at increasing awareness and strengthening capabilities to address climate related risks and challenges. The supplier evaluation framework prioritizes vendors demonstrating strong environmental performance and serves as a screening mechanism to prevent onboarding of suppliers with inadequate sustainability practices. Through this structured approach, Sonata promotes environmental accountability across its value chain and encourages suppliers to implement effective climate change mitigation measures, aligning supplier practices with the Company's overall ESG objectives.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

60%

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

I. Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations

SSL is affiliated with 2 trade and industry chambers namely NASSCOM and CII.

1. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	NASSCOM	National
2	CII	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

II. Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr.No.	Public policy advocated	Method resorted for such advocacy	Whether infor-mation available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

I. Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Industree	NA	NA	YES	Yes,Mentioned in ESG Databook Report	Yes,Mentioned in ESG Databook Report
Arvind Eye Hospital	NA	NA	YES	Yes,Mentioned in ESG Databook Report	Yes,Mentioned in ESG Databook Report
Functional Vocational Training and Research Society	NA	NA	YES	Yes,Mentioned in ESG Databook Report	Yes,Mentioned in ESG Databook Report

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community

Sonata maintains formal and informal channels with stakeholders, recognizing that open dialogue is essential to our CSR commitments. Our CSR team remains accessible to NGO partners for continuous support, utilizing structured dialogues such as weekly meetings and governance sessions led by the CSR Head. Furthermore, we conduct quarterly reviews with the Board and CSR Committee, alongside offline community interactions to ensure our initiatives remain responsive to local needs.

Sonata actively involves employees in volunteering, reinforcing the value of stakeholder participation in our CSR efforts. Leadership and the Board receive regular updates on implementation and outcomes, while progress is transparently shared with investors and the public via official reports and social media. Our CSR team maintains close collaboration with NGOs and community members, conducting weekly progress reviews to address feedback and identify critical areas for support.

Furthermore, Sonata's Third-Party Code of Conduct and Business Ethics serves as a grievance redressal mechanism, allowing external stakeholders to report concerns in a transparent and ethical manner. The code can be accessed via our official website, ensuring that all partners have a clear pathway for accountability and ethical reporting.

https://www.sonata-software.com/sites/default/files/financial-reports/2025-12/code_of_business_conductethics.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directly sourced from MSMEs/ small producers	31.04%	12%
Directly from within India	99.4%	95%

Note: The above data is applicable to India Locations.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY _2026 Current Financial Year	FY _2025_Previous Financial Year
Rural	NA	NA
Semi-urban	NA	NA
Urban	NA	NA
Metropolitan	100%	100%

The above data is applicable to India Locations. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

II. LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
NA	NA	NA	NA

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
Yes,

b. From which marginalized /vulnerable groups do you procure?
Local Artisans, Handicrafts, Women groups, Local vendors

c. What percentage of total procurement (by value) does it constitute?
<1%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the case	Corrective Actions taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Sonata Software has 5 entities applicable for CSR. SSL, SITL SSSL, Encore, SSTPL. The details for each are mentioned below				
Projects under Sonata Software Limited ("SSL")				
1	Arvind Eye Hospital Vikas	To deliver technical support for building an assistive Android app that aids in the identification and treatment of Cerebral Visual Impairment (CVI) in children. The project prioritizes early-stage diagnosis and the delivery of customized therapy to improve outcomes for children with special visual needs.	12000	100%

Sr. No.	CSR Project		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
2	AEH Workflow simulation of LMS	This project involves building a virtual simulation portal to train AEH staff on software transitions and upgrades using interactive modeling. By providing a risk-free environment for practice, the portal aims to shorten the learning curve and improve intuitive user interaction with enterprise tools.	1000+	100%
3	Support projects SSL(FVTRS and Agastya)	To deliver robust technical support aimed at optimizing the lifecycle of website architecture and development tasks.		
Projects under Sonata Information Technology Limited ("SITL")				
1	IISc	To foster scientific inquiry, expand outreach and educational initiatives, and bolster the growth of research and instructional facilities within the Department of Computer Science & Automation at the Indian Institute of Science.	35	100%
2	Unnati Foundation	To establish a consolidated cloud architecture for managing stakeholder permissions from a single point, ensuring all necessary applications are secured behind SSO authentication layers.	400	100%
3	SayTrees Environmental Trust	The Farm Twin project offers a virtual simulation tool designed to assist farmers in the design and visualization of agroforestry systems. It delivers critical analytics regarding crop integration, profit forecasting, and carbon storage, encouraging the adoption of resilient and environmentally conscious agricultural techniques.	100000	100%
4	Functional Vocational Training and Research Society	Sonata Software's support enables FVTRS to provide technical skill-building programs for vulnerable youth. The initiative focuses on enhancing digital proficiency within the IT domain, creating career pathways for underprivileged individuals.	1247+	100%
5	Centum Foundation	This project strives to bridge the IT talent gap by empowering underserved young adults with essential technical skills, specifically targeting gender diversity and industry alignment. By training beneficiaries in specialized domains like Microsoft Dynamics 365 and Data Analytics, the program commits to strong female enrollment and career placement assistance across the hubs of Hyderabad, Chennai, and Bengaluru.	750	100%
6	Akshaya Patra	The initiative focuses on delivering supplementary nutrition to students across government and affordable private schools in Hubli, Karnataka. Through the provision of consistent daily nourishment, the project endeavors to boost school retention, sharpen academic focus, and bolster the physical development of children from socio-economically disadvantaged families.	1362	100%

Sr. No.	CSR Project		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
7	Computer Shiksha (CS) MagicBox	This project strives to bridge the digital divide for students through the proven Computer Shiksha model. By equipping diverse educational institutions across the country with specialized CS Magic Box devices, the program facilitates remote learning via online seminars and ensures educational quality through rigorous school evaluations and progress monitoring.	32659	100%
Projects under Sonata Software Solutions Limited ("SSSL")				
1	FVTRS Website	The initiative centers on developing a certificate issuance module and launching a dedicated website to secure a robust digital footprint. It focuses on strengthening the organization's online visibility in support of its latest venture.	10000	100%
2	Agastya International Foundation	By utilizing the WhatsApp Business API, Hello Agastya facilitates a seamless educational experience featuring instant student enrollment and interactive assessments. This platform enables teachers to manage digital classrooms more effectively, providing them with the tools to broadcast content and oversee learning milestones in real-time.	80000	100%
3	Industree Crafts Foundation LMS Phase 2	The project focuses on creating a digital archival platform that allows artisans to securely catalog and oversee their creative designs and product data. By centralizing educational resources and performance feedback mechanisms, the initiative fosters technological integration, helping artisans expand their market reach and secure more resilient livelihoods.	120	100%
4	Sarthak Education Foundation	To develop a fully responsive e-commerce infrastructure that manages the entire lifecycle from vendor registration and verification to the publication of Sarthak-made products. The system ensures a seamless consumer experience while simultaneously providing comprehensive order management and data analytics.	113033+	100%
5	Support projects SSSL (Industree and Bangalore little theatre Foundation)	To deliver robust technical support aimed at optimizing the lifecycle of website architecture and development tasks.		
Projects under Encore				
1	AHCT	Encore's collaboration with AHCT focuses on funding the education of Puthri scholars within the Dindigul Urban School system. By engaging as a multi-year partner, the initiative leverages a blended learning approach to help an increasing number of high-potential students pursue their chosen career paths.	177+	100%
Project under Sonata Software Technology Private Limited ("SSTPL")				
1	SayTrees	By implementing the Miyawaki technique, the project transforms underutilized land into dense native green ecosystems. These green belts help reduce pollution and noise while enhancing biodiversity and urban living quality.	3277 Trees	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

I. Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Sonata has a well-defined process for Customer feedback survey which is typically done:

- At Critical Milestone or Release or Phase Completion
- At Project Completion
- At least every Six Month in case of multi-year annuity projects

Customer Feedback Survey is administered through the online Customer Feedback Survey tool. A defined set of questions based on Project type, delivery model and role and is triggered using Customer Feedback Survey tool.

Responses received are published internally by Customer Success team and feedback may include postive feeback, oppotunties for improvement and any customer concerns. If Overall or Parameter Score less than Target or there are improvement areas suggested in the survey, the PM will identify corrective plan. Typically, the following are sources of Customer Complaints, but limited to. 1) Any direct complaints raised by customers, 2) Overall Rating rated 2 or less or any critical Parameters rated 2 or less in the Customer Feedback Survey

Sonata has structured governance review meetings with customer on weekly, monthly and quarterly with different levels of customer stakeholders. Any concern or compliant raised by customer will be reported as an customer escalation and responded with an action plan.

Project Manager and Delivery Manager acknowledge the compliant and feedback to customer and indicate the target date for resolution. The compliant is updated in the Log by Customer Success team and Management Representative.

The PM will share the corrective action plan with the DM, DD & Customer Success Team internally within Sonata. After review by DM &DD, PM will share the corrective action plan with the Customer. The PM along with his/her team will implement the corrective action plan. DM and DD will review the corrective action progress. The Customer Success Team will periodically verify whether the identified corrective action plan where applicable by the project teams has been implemented. Post implementing the actions for resolution, The PM will share the corrective action progress report to Customer contact and review the progress on actions and closure of customer complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2026 (Current Financial Year)		Remarks	FY 2025 (Previous Finanial Year		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	NA	NA	0	NA	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. **Details of instances of product recalls on accounts of safety issues**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes

   Privacy policy | Sonata Software

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable. As no issues are reported which requires any corrective action.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      There are no reported or confirmed incidents that resulted in breaches or loss of data during FY26.

   b. **Percentage of data breaches involving personally identifiable information of customers**

      There are no reported or confirmed incidents that resulted in breaches or loss of data during FY26.

   c. **Impact, if any, of the data breaches**

      There are no reported or confirmed incidents that resulted in breaches or loss of data during FY26.

II. LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://www.sonata-software.com/index.php/
   https://www.linkedin.com/company/sonatasoftware/
   https://www.facebook.com/sonatasoftware
   https://www.instagram.com/sonata.software/
   https://www.youtube.com/user/SonataSoftwareVideos

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Sonata provides training for key business users and IT users to provide awareness and right usage of products and/or services. This done in two phases: Pre-implementation training to provide the knowledge about the product overview and project plan detailing the engagement roadmap with the client. This is typically done during Project initiation. Sonata provides Key user training before User Acceptance Testing(UAT) for facilitating the smooth conduct of UAT and easy adoption post go live and roll outs.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Sonata has established Business Continuity Plan which identifies critical system failures that lead to business disruptions. Network and systems have been designed with sufficient redundancy, Table top tests and DR tests are planned and conducted to ensure the actions are streamlined in case of contingency .

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. Sonata keeps its corporate website and other social media channels updated with Sonata's products and services. Sonata conducts webinars and participates in industrial forums such as NASSCOM, CII, Microsoft Joint Collaboraton events etc. to communicate about Sonata's products and services. Sonata conducts Client Engagement feedback survey at both Strategic and Operational level. Strategic

customer feeback survey is done, often through a trust worthy independent survey agency, based on Net Promoter Score (NPS) format. This is targeted to stakeholders having roles in CXO level, Business Operations and IT Programs and is done annually.

Operational customer feedback survey is administered through the online Customer Feedback Survey tool and targeted to operational level counter parts for each projects. Customer feedback survey is typically done:

- At Critical Milestone or Release or Phase Completion
- At Project Completion
- At least every Six Month in case of multi-year annuity projects.

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Software Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sonata Software Limited (the "Company"), its employee welfare trust which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information [in which are included the financial information of 4 branches].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - Fixed Price contracts where revenue is recognized using percentage of completion method	
See Note 2.2 (l) and 24 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company enters into fixed-price arrangements, where, revenue is recognized using percentage of completion computed as per input method based on the Company's estimate of contract efforts. We identified revenue recognition of fixed-price contracts where the percentage of completion is used, as a key audit matter, since: • there is an inherent risk around the accuracy and existence of revenues recognised considering the complex nature of these contracts and significant inputs used in their accounting;	Our audit procedures included the following: • Assessed the appropriateness and compliance of the Company's revenue recognition, accounting policies in relation to the applicable accounting standards. • Tested the design, implementation and operating effectiveness of the processes and controls over recognition of revenue over a period of time, the status of completion for projects and management's estimates of total efforts on contracts.

• application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates in mainly identifying performance obligations, related transaction price and estimating the future efforts-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation. • quantum of fixed-price contracts and the inherent risks associated with revenues for the Company.	• On statistically selected samples of contracts, evaluated the identification of performance obligation and the determination of transaction price. • Recalculated the percentage of completion based on the latest budgeted final efforts and the total actual efforts incurred till date on the statistically selected samples of contracts. • Performed tests on whether actual efforts have been recorded in the correct period, by testing the underlying evidences for statistically selected samples. • Performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts, to assess the reliability of the management's estimation process. • Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements in compliance with the requirements of Ind AS 115: "Revenue from Contracts with Customers".

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the Director's report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Company's annual report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining sections of the annual report (other than the Director's Report), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone 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 standalone 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 respective Management and Board

of Directors of the Company/Board of Trustees of the employee welfare trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of Company/trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the Company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors /Board of Trustees are responsible for overseeing the financial reporting process of each Company/trust.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31 March 2026, 01 April 2026 and 06 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

    f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

    a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements.

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 29 to the standalone financial statements.

c. There has been no delay in transferring amounts, 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 44 (iv) to the standalone 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 44 (v) to the standalone 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

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

As stated in Note 39 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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

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

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

- In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the primary accounting software used for maintaining books of accounts, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record

retention for the said software was enabled and operated throughout the year at database layer for all relevant transactions recorded in such software.

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

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

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 remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. 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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155PBPYJH1268

Place: Mumbai
Date: 07 May 2026

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

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

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(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, solutions and sale of software/hardware products and licenses. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 provided guarantee and granted loans during the year in respect of which the requisite information is as below. The Company has not made any investments in or provided security or granted advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership and other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans and stood guarantee as below:

(in ₹ lakhs)

Particulars	Guarantees #	Loans #
Aggregate amount during the year Subsidiaries*	66,287	8,989
Balance outstanding as at balance sheet date Subsidiaries*	73,479	9,481

*As per the Companies Act, 2013

The Company has given a guarantee of USD 77.5 million and granted a foreign curreny loan of USD 10 million to its wholly owned subsidiary which was entirely outstanding as at the balance sheet date. The movement in the table above represents the impact of foreign currency translation gain.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and guarantees provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ('"the Act"). In respect of loan given and guarantee provided by the Company, in our opinion the provisions of Section 185 of the Act are not applicable and the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961 *	Disallowance of tax benefits under section 10A of the Income Tax Act, 1961	1,141	Assessment Year 2011-12	Commissioner of Income tax-Appeals, Bombay
Income tax Act, 1961	Disallowance of tax benefits under section 10A of the Income Tax Act, 1961	2,370	Assessment Year 2006-07	High Court, Bombay
Income tax Act, 1961	Disallowance of tax benefits under section 10A of the Income Tax Act, 1961	2,146	Assessment Year 2007-08	High Court, Bombay
Finance Act, 1994**	Demand for non-payment of service tax on commission charges incurred outside India and interest and penalty thereon	1,014	Financial Year 2006-07 to 2012-13	Commissioner of Central Tax (Appeals), Mysuru
Goods and Services Tax Act, 2017	Excess claim of ITC	17	Financial Year 2019-20	Joint Commissioner of GST (Appeal), Hyderabad
Goods and Services Tax Act, 2017 ***	Excess claim of ITC	23	Financial Year 2020-21 and 2021-22	Deputy Commissioner of GST, Hyderabad

* net of amount paid under protest of ₹100 lakhs
** net of amount paid under protest of ₹ 14 lakhs
*** net of amount paid under protest of ₹ 2 lakhs

As explained to us, the Company does not have any disputed dues on account of Provident Fund, Employees state insurance, Cess or other Statutory dues. Further, 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 explanation given to us and basis of our examination of the records of the Company, the Company has availed working capital loans of Rs. 36,630 lakhs which is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us and basis of our examination of the records of the Company, such loans have not been demanded for repayment during the relevant financial year. However, the Company has repaid an amount of Rs. 28,000 Lakhs towards the principal during the year. Further, the Company has not defaulted in the payment of interest on such loans

(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 standalone 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 standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries 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 subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

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

(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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone 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 comprising Company's Directors Report accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report, which explains that the other information comprising the remaining sections of the Company's Annual Report (i.e. other than the Director's report) is expected to be made available to us after the date of of this Auditor's Report.

(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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155PBPYJH1268

Place: Mumbai
Date: 07 May 2026

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

Report on the internal financial controls with reference to the aforesaid standalone 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 Limited ("the Company") in which are included internal financial controls with reference to financial information of 4 branches and an employee welfare trust as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls 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 tothe 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 standalone 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 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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155PBPYJH1268

Place: Mumbai
Date: 07 May 2026

Standalone Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,654	2,006
Right-of-use assets	41	11,694	2,252
Goodwill		282	282
Intangible asset under development	4	505	-
Financial assets	5		
Investments	5.1	6,225	6,225
Loans	5.2	9,481	-
Other financial assets	5.3	1,141	643
Deferred tax assets (net)	17B	2,073	1,338
Income tax assets (net)	17A	5,764	7,279
Other non-current assets	6	100	74
Total non-current assets		**38,919**	**20,099**
Current assets			
Inventories	7	4	2
Financial assets	8		
Investments	8.1	-	1,608
Trade receivables	8.2	89,731	66,471
Cash and cash equivalents	8.3	3,143	2,439
Bank balances other than above	8.4	1,504	5,943
Other financial assets	8.5	1,020	1,647
Other current assets	9	5,303	4,240
Total current assets		**100,705**	**82,350**
Total assets		**139,624**	**102,449**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	2,768	2,776
Other equity	11	78,819	77,554
Total Equity		**81,587**	**80,330**
LIABILITIES			
Non-current liabilities			
Financial liabilities	12		
Lease liabilities	12.1	9,338	1,971
Other financial liabilities	12.2	325	2,589
Total non-current liabilities		**9,663**	**4,560**
Current liabilities			
Financial liabilities	13		
Borrowings	13.1	8,630	-
Lease liabilities	13.2	2,247	517
Trade payables	13.3		
Total outstanding dues of micro enterprises and small enterprises		291	83
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,502	6,432
Other financial liabilities	13.4	8,627	6,104
Other current liabilities	14	1,502	1,816
Provisions	15	5,543	1,864
Current tax liabilities (net)	16	4,032	743
Total current liabilities		**48,374**	**17,559**
Total equity and liabilities		**139,624**	**102,449**
Summary of material accounting policies	**2**		

The accompanying notes form an integral part of the standalone 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 : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Standalone Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	18.1	136,676	99,131
Other income	18.2	24,453	18,392
Total Income		**161,129**	**117,523**
EXPENSES			
Purchase of stock-in-trade (traded goods)	19.1	20,937	213
Changes in inventories of stock-in-trade	19.2	(2)	(2)
Employee benefits expense	20	81,691	77,550
Finance costs	21	1,101	469
Depreciation and amortization expense	22	3,066	2,129
Other expenses	23	16,042	13,687
Total expenses		**122,835**	**94,046**
Profit before exceptional item and tax		**38,294**	**23,477**
Exceptional item			
Impact of new labour codes	32	2,620	-
Profit before tax		**35,674**	**23,477**
Tax expense			
Current tax	17A	8,170	2,337
Deferred tax	17A & 17B	(369)	(237)
Net tax expense		**7,801**	**2,100**
Profit for the year		**27,873**	**21,377**
Other comprehensive income			
1 Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans	32	(302)	(44)
(b) Income tax relating to Items that will not be reclassified to profit/(loss)	17A & 17B	76	11
		(226)	**(33)**
2 Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge	29	(1,152)	(115)
(b) Income tax relating to Items that will be reclassified to profit/(loss)	17A & 17B	290	29
		(862)	**(86)**
Total other comprehensive income for the year, net of tax		**(1,088)**	**(119)**
Total comprehensive income for the year		**26,785**	**21,258**
Earnings per share (on ₹ 1 per share)			
Basic (in ₹)	37	10.05	7.70
Diluted (in ₹)	37	10.05	7.69
Summary of material accounting policies.	**2**		

The accompanying notes form an integral part of the standalone 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 : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Standalone Statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**35,674**	**23,477**
Adjustments for :		
Depreciation and amortization expense	3,066	2,129
Finance costs	1,101	469
Impairment loss recognised on trade receivables and contract assets	2,179	265
Provisions/ liabilities no longer required written back	(33)	(1)
Interest income	(363)	(584)
Dividend income from long-term investments in subsidiaries	(18,562)	(15,800)
(Gain) / loss on sale of fixed assets / scrapped	(20)	32
Net (gain) on investments carried at fair value through profit and loss	(220)	(195)
Gain on termination of lease	(203)	(1)
Commission on guarantees	(910)	(341)
Expenses on employee stock based compensation	183	285
Net unrealized foreign exchange (gain)/loss	(3,846)	(430)
Net unrealized (gain)/loss on derivatives carried at fair value through profit or loss	970	43
Operating profit before working capital changes	**19,016**	**9,348**
Changes in operating assets and liabilities:		
Increase in trade receivables	(21,836)	(14,375)
Increase in Inventories	(2)	(2)
Decrease in other financial assets-current	601	173
Decrease/(increase) in other financial assets non-current	(1,086)	837
Decrease/(increase) in other non-current assets	(30)	29
Decrease/(increase) in other current assets	(1,060)	2,299
(Decrease)/increase in other financial liabilities non-current	(2,012)	905
(Decrease)/increase in trade payables	10,969	(2,036)
Increase in other financial liabilities	20	2,698
Decrease in other current liabilities	(618)	(2,638)
Increase in provisions	3,679	503
Net cash from / (used in) operations	**7,641**	**(2,259)**
Income taxes paid (net of refunds)	(3,341)	126
Net cash from / (used in) operating activities (A)	**4,300**	**(2,133)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress and Intangible asset under development	(1,182)	(576)
Proceeds from disposal of property, plant and equipment	71	145
Purchase of current investments	(63,098)	(67,961)
Proceeds from sale of current investments	64,872	66,603
Proceeds from sale of bonds	54	43
Proceeds from sub-lease assets	2	18
Investment in bank deposits	(828)	(2,892)
Proceeds from maturity of bank deposits	5,275	3,601
Interest received	330	566
Commission on guarantees	910	341
Dividend received from subsidiary	18,500	15,800
Inter corporate loans given	(8,989)	(3,303)
Inter corporate loans recovered	-	3,303
Net cash flow from investing activities (B)	**15,917**	**15,688**

Standalone Statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) from/(of) short-term borrowings (net)	-	(4)
Payment of lease liabilities	(2,575)	(1,161)
Payment of dividend	(22,321)	(12,258)
Proceeds from issue of shares on exercise of ESOP	91	346
Payments for shares purchased by Employee Welfare Trust	(3,200)	-
Inter corporate borrowings received	28,600	-
Inter corporate borrowings repaid	(19,970)	-
Interest paid	(227)	(41)
Net cash used in financing activities (C)	**(19,602)**	**(13,118)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**615**	**437**
Opening cash and cash equivalents	2,439	1,973
Exchange difference on translation of foreign currency cash and cash quivalents	89	29
Closing cash and cash equivalents	**3,143**	**2,439**
Cash and cash equivalents at the end of the year comprises: (Refer note 8.3)		
Balances with banks		
In Current accounts	1,802	2,234
In EEFC accounts	1,341	205
	3,143	**2,439**

Refer note 41 for non-cash changes in lease liabilities arising from financing activities. There are no non-cash changes in inter corporate borrowings and working capital demand loan.

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the standalone 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 : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Standalone Statement of Changes in Equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 10)	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**2,776**	**2,775**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,776	2,775
Changes in equity share capital during the year		
Add: Shares issued on exercise of employee stock options	1	1
Less: Shares purchased from secondary market towards the grant of new stock options by Employee Welfare Trust	(9)	-
Balance at the end of the year	**2,768**	**2,776**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus					Other comprehensive income		Total other equity
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Remeasurement of the defined benefit plans	Effective portion of cash flow hedges	Foreign currency translation reserve	
Balance as at April 1, 2024	**3,126**	**8,292**	**1,327**	**57,093**	**(1,670)**	**(289)**	**14**	**67,893**
Profit for the year	-	-	-	21,377	-	-	-	21,377
Other comprehensive income (net of tax)	-	-	-	-	(33)	(86)	-	(119)
Total comprehensive income for the year	**-**	**-**	**-**	**21,377**	**(33)**	**(86)**	**-**	**21,258**
Transactions with owners of the Company								
Contributions and distributions								
Employee stock compensation expense	-	-	285	-	-	-	-	285
Premium received on issue of shares on exercise of options	345	-	-	-	-	-	-	345
Payment of cash dividends	-	-	-	(12,227)	-	-	-	(12,227)
Balance as at March 31, 2025	**3,471**	**8,292**	**1,612**	**66,243**	**(1,703)**	**(375)**	**14**	**77,554**
Balance as at April 1, 2025	**3,471**	**8,292**	**1,612**	**66,243**	**(1,703)**	**(375)**	**14**	**77,554**
Profit for the year	-	-	-	27,873	-	-	-	27,873
Other comprehensive income (net of tax)	-	-	-	-	(226)	(862)	-	(1,088)
Total comprehensive income for the year	**-**	**-**	**-**	**27,873**	**(226)**	**(862)**	**-**	**26,785**
Transactions with owners of the Company								
Contributions and distributions								
Employee stock compensation expense	-	-	183	-	-	-	-	183
Premium received on issue of shares on exercise of options	90	-	-	-	-	-	-	90
Premium on shares purchased from secondary market amount exceeding face value	(3,191)	-	-	-	-	-	-	(3,191)
Payment of cash dividends	-	-	-	(22,602)	-	-	-	(22,602)
Balance as at March 31, 2026	**370**	**8,292**	**1,795**	**71,514**	**(1,929)**	**(1,237)**	**14**	**78,819**

Refer note 11 for the nature and purpose of reserves.

Summary of material accounting policies refer note 2

The accompanying notes form an integral part of the standalone 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 : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director & Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

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

1. COMPANY OVERVIEW

Sonata Software Limited ("SSL" 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, Middle East, Asia, Australia and India.

The Company is a public limited company incorporated and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. The Company is listed on The National Stock Exchange of India Limited and BSE Limited. The standalone financial statements have been approved for issue by the Company's Board of Directors on May 07, 2026.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

a. Statement of compliance

These standalone 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 standalone 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. 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 standalone 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 standalone 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 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 standalone 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 standalone financial statements are included in the following notes:

i) Impairment testing

Goodwill is tested for impairment annually and investments are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units 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. The policy for the same has been explained under note 2.2(e).

iii) Revenue recognition

Refer note 2.2(l)(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 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(r)

v) Contingent liabilities

Refer note-2.2(t).

vi) 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 (j)

vii) 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(f).

viii) Other estimates

The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest (Refer note 33).

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

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Investment in subsidiaries

Investment in equity instruments of subsidiaries are measured at cost and subsequently measured at cost less impairment, if any, as per Ind AS 27. At each reporting date the Company assesses whether there is any indication of impairment and recognises impairment loss when necessary. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

b. Property, plant and equipment

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

c. 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.

d. Inventories

Inventories are measured at the lower of cost and the net realizable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, and other issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

e. Depreciation/ Amortisation

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

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

Straight-line method

Asset class	Useful life
Buildings	60 years
Plant and machinery (Hardware)	3 years
Plant and machinery (Others)	15 years
Lease hold land	lease term
Lease hold improvements	lease term

Written down method

Asset class	Depreciation rate
Furniture and fixtures	25.88%
Office equipments	45.07%
Vehicles	31.23%

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 Company 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.

f. Leases

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

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

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

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

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

g. 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. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

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

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

Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand 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.

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

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

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.

h. Employee benefits

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

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

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

Liabilities with regard to the gratuity plan are determined by actuarial valuation performed by an independent actuary, at each balance sheet date using projected unit method. The Company fully contributes all ascertained liabilities to a trust managed by the Trustees of Sonata Software Limited Gratuity Fund. The Trustees administer the contributions made to the Trust. The fund's investments are managed by certain insurance 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 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.

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

(a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

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

i. 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.

j. 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.

k. 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.

l. Revenue recognition

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

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

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

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

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

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted

in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

There is a significant financing component for certain contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

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

a) Time and materials and unit of work based contracts

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

b) Fixed-price contracts

The Company applies the percentage of completion method in accounting for fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

For fixed price development contracts and related services, the performance obligation are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates. Estimates for the transaction price and total costs are continously monitored over a term of contract and are recorded in net profit or losses in the period when the estimate changes or when the estimates are revised.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted

for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Contract assets and contract liabilities

Contract assets represent cost and earnings in excess of billings as at the end of the reporting period. Contract assets are classified as unbilled receivables (only 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.

c) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the 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.

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.

m. Government grants:

Grants from the Government are recognised by the Company when there is reasonable assurance that the conditions attached to the grant will be complied and it will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. The grant pertaining to an asset is recognized as income over the expected useful life of the asset.

n. 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 share holders after deducting the taxes at applicable rates.

o. 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 or 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.

p. 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.

q. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period.

r. 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 Company 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 recognised as expense (or income) in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the statement of profit and loss in the same line item as allowance for expected credit loss.

Credit impaired financial assets:

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

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

Write off - The gross carrying amount of a financial asset is written off when the 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 including goodwill or a Company 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 Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Company of assets (the "cash-generating unit").

s. 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.

t. Contingent liabilities

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

u. 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.

v. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets. Goodwill is tested for impairment annually for current events or circumstances indicate that unused fair value of goodwill is than its carrying amount (based on facts such as business plan, future cash flow and economic condition).

w. 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 standalone financial statements are adjusted for such events before authorisation for issue.

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

2.3 Recent pronouncements

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

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

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

3. Property, plant and equipment

₹ in Lakhs

Tangible assets							
Particulars	Buildings	Office equipment	Leasehold improvements	Furniture and fixtures	Plant and equipment	Vehicles	Total
As at April 1, 2024	**115**	**456**	**133**	**267**	**5,436**	**316**	**6,723**
Additions	-	46	-	3	511	-	560
Disposal / write off *	-	(208)	(39)	(81)	(882)	(76)	(1,286)
Translation adjustments	-	2	-	1	5	-	8
As at March 31, 2025	**115**	**296**	**94**	**190**	**5,070**	**240**	**6,005**
As at April 1, 2025	**115**	**296**	**94**	**190**	**5,070**	**240**	**6,005**
Additions	-	5	-	3	856	-	864
Disposal / write off	-	(53)	(41)	(48)	(197)	-	(339)
Translation adjustments	-	6	-	5	12	-	23
As at March 31, 2026	**115**	**254**	**53**	**150**	**5,741**	**240**	**6,553**
Accumulated depreciation							
As at April 1, 2024	**18**	**347**	**121**	**179**	**2,941**	**164**	**3,770**
Depreciation charge during the year	2	39	4	9	1,229	51	1,334
Depreciation on disposal / write off	-	(192)	(31)	(60)	(757)	(69)	(1,109)
Translation adjustments	-	1	-	-	3	-	4
As at March 31, 2025	**20**	**195**	**94**	**128**	**3,416**	**146**	**3,999**
As at April 1, 2025	**20**	**195**	**94**	**128**	**3,416**	**146**	**3,999**
Depreciation charge during the year	2	24	-	7	1,090	49	1,172
Depreciation on disposal / write off	-	(29)	(41)	(36)	(182)	-	(288)
Translation adjustments	-	4	-	1	11	-	16
As at March 31, 2026	**22**	**194**	**53**	**100**	**4,335**	**195**	**4,899**
Net carrying value							
As at March 31, 2026	**93**	**60**	**-**	**50**	**1,406**	**45**	**1,654**
As at March 31, 2025	**95**	**101**	**-**	**62**	**1,654**	**94**	**2,006**

* For sale of property, plant and equipment to related party refer note 40

4. Intangible asset under development

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Additions *	505	-
Transferred to intangible assets	-	-
Closing balance	**505**	**-**

* Includes transactions with related party, refer note 40

Intangible asset under development ageing Schedule:

₹ in Lakhs

Particulars	Amount in Intangible Asset under Development for a period of			
	Less than 1 year	1-2 years	More than 2 years	Total
As at March 31, 2026				
Projects in progress	505	-	-	505
Project temporarily suspended	-	-	-	-
Total	**505**	**-**	**-**	**505**
As at March 31, 2025				
Projects in progress	-	-	-	-
Project temporarily suspended	-	-	-	-
Total	**-**	**-**	**-**	**-**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Non-Current

5. Financial assets

5.1 : Investments

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Non Trade, Long-term, unquoted and at cost		
In subsidiary companies		
Investment in equity instruments (Unquoted)		
3,375,394 Equity shares of ₹ 10/- each in Sonata Information Technology Limited (fully paid)	338	338
(As at March 31, 2025 - 3,375,394 Equity shares of ₹ 10/- each (fully paid))		
300,000 Equity shares of 1 US Dollar each in Sonata Software North America Inc., (fully paid)	122	122
(As at March 31, 2025 - 300,000 Equity shares of 1 US Dollar each - (fully paid))		
2 Equity shares of Euro 12,500 each in Sonata Software GmbH, Germany (fully paid)	32	32
(As at March 31, 2025 - 2 Equity shares of Euro 12,500 each (fully paid))		
800 Equity shares of 1 Pound each in Sonata Europe Limited, UK (fully paid)	1	1
(As at March 31, 2025 - 800 Equity shares of 1 Pound each (fully paid))		

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
98 Equity shares in Sonata Software (Qatar) LLC of 1,000 QAR each (fully paid)	12	12
(As at March 31, 2025 - 98 Equity shares of 1,000 QAR each (fully paid))		
2 Equity shares in Sonata Australia Pty. Ltd. of 1 AUD each (fully paid)	2,237	2,237
(As at March 31, 2025 - 2 Equity shares of 1 AUD each (fully paid))		
10,000 Equity shares in Sonata Software Solutions Limited of ₹ 10 each (fully paid)	1	1
(As at March 31, 2025 - 10,000 Equity shares of ₹ 10 each (fully paid))		
9,990 Equity shares in Encore IT Services Solutions Private limited of ₹ 10 each (fully paid)	893	893
(As at March 31, 2025 - 9,990 Equity shares of ₹ 10 each (fully paid))		
500,000 Equity shares in Sonata Software Malaysia SDN BHD of 1 RM each (fully paid)	89	89
(As at March 31, 2025 - 500,000 Equity shares of 1 RM each (fully paid))		
Investment in preference shares (Unquoted)		
2,459,560 - 2% non-cumulative convertible redeemable preference shares of 1 Pound each in Sonata Europe Limited, UK (fully paid)	2,500	2,500
(As at March 31, 2025 - 2,459,560 shares of 1 Pound each (fully paid))		
Total	**6,225**	**6,225**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investment	-	-
Aggregate amount of unquoted investments	6,225	6,225
Aggregate amount of impairment in value of investments	-	-
Investments carried at cost	6,225	6,225

5.2 Loans (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans and advances to related parties		
Inter-corporate loans (Refer note 40)	9,481	-
Total	**9,481**	**-**

5.3 Other financial assets (carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Net investment in sub-lease of ROU asset (Refer note 41)	-	136
Security deposits	1,141	505
Balance held as margin money *	-	2
Total	**1,141**	**643**

* Held as margin money by bank against bank guarantees

6. Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Other deposits	2	14
Prepaid expenses	80	42
Balances with government authorities		
Receivable from GST authority	18	2
Other recoverables	-	16
Total	**100**	**74**

Current

7. Inventories

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-trade - Software products and licenses	4	2
Total	**4**	**2**

8. Financial assets

8.1. Investments

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units	₹ in Lakhs	No. of units	₹ in Lakhs
Investments carried at fair value through profit and loss:				
Investments in mutual funds (Traded, quoted)				
Edelweiss Liquid Fund - Regular Plan - Growth	-	-	4,894	161
DSP Liquid Fund - Regular Plan - Growth	-	-	21,848	801
HDFC Money Market Fund - Direct Plan - Growth	-	-	1,936	111
Bandhan Money Manager Fund - Direct Plan - Growth	-	-	1,122,959	481
	-	-		**1,554**
Investments carried at amortised cost:				
Investments in PSU Bonds (Non-traded, quoted)				
Investments in PSU Bonds		-		54
Total		**-**		**1,608**
Aggregate amount of quoted investments		-		1,608
Aggregate market value of quoted investments		-		1,608
Aggregate amount of impairment in value of investments		-		-
Investments carried at fair value though profit or loss		-		1,554
Investments carried at amortized cost		-		54

8.2. Trade receivables (carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured *		
Billed		
Considered good	88,484	65,743
Less : Allowance for credit losses	(590)	(296)
	87,894	**65,447**
Trade receivables - credit impaired	65	127
Less : Allowance for credit losses	(65)	(127)
	-	**-**
Unbilled	1,837	1,024
Total	**89,731**	**66,471**

* 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 40. For the amounts receivable from Related parties refer note 40.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 30.

Trade receivable ageing schedule

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026								
Undisputed trade receivables - considered good	1,837	50,159	37,729	290	297	2	7	90,321
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	10	15	-	40	65
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(126)	(406)	(32)	(42)	(2)	(47)	(655)
Total	**1,837**	**50,033**	**37,323**	**268**	**270**	**-**	**-**	**89,731**

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	1,024	38,660	26,445	577	55	-	6	66,767
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables credit impaired	-	-	-	10	80	10	27	127
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(174)	(113)	(13)	(80)	(10)	(33)	(423)
Total	**1,024**	**38,486**	**26,332**	**574**	**55**	**-**	**-**	**66,471**

8.3. Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	1,802	2,234
In EEFC accounts	1,341	205
Total	**3,143**	**2,439**

8.4. Bank balances other than above

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months but less than 12 months	209	5,564
In earmarked accounts		
Balance held as margin money*	635	-
Unpaid dividend account**	660	379
Total	**1,504**	**5,943**

* Held as margin money by bank against bank guarantees

** Is solely used for the purposes of making payment towards dividend

8.5. Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Reimbursement of expenses receivable from related party (Refer note 40)	585	636
Security deposits	74	789
Compensation right asset	299	-
Fair value of forward contracts (Refer note 28 & 29)	-	88
Other assets	62	134
Total	**1,020**	**1,647**

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

9. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances to employees	93	165
Prepaid expenses	1,439	728
Contract assets (net of allowances for expected credit loss) (Refer note 24)	2,499	2,577
Balances with Government authorities		
VAT credit receivable	-	4
GST credit receivable	860	196
Other recoverables *	412	570
Total	**5,303**	**4,240**

* It includes advances paid to related party suppliers. For the amount of advance paid to Related party refer note 40.

10. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
500,000,000 equity shares of face value ₹ 1/- each	**5,000**	**5,000**
(As at March 31, 2025 - 500,000,000 equity shares of face value ₹ 1/- each)		
Issued		
280,424,816 equity shares of face value ₹ 1/- each fully paid-up	**2,804**	**2,804**
(As at March 31, 2025 - 280,424,816 equity shares of face value ₹ 1/- each)		
Subscribed and paid-up		
276,794,469 equity shares of face value ₹ 1/- each fully paid-up*	2,768	2,776
(As at March 31, 2025 - 277,656,476 equity shares of face value ₹ 1/- each)*		
Out of issued capital, 3,630,347 (As at March 31, 2025 - 2,768,340) shares are held by Sonata Software Limited Employee Welfare Trust		
3,630,347 equity shares (treasury) held by trust of face value ₹ 1/- each	36	28
(As at March 31, 2025 - 2,768,340 equity shares (treasury) of face value ₹ 1/- each)		

*The outstanding equity shares as at March 31, 2026 and March 31, 2025 are presented net of treasury shares.

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares with voting rights				
Number of shares outstanding at the beginning of the year	**277,656,476**	**2,776**	**277,552,476**	**2,775**
Add: Shares issued on exercise of employee stock options after bonus issue (Refer note 33)	73,333	1	104,000	1
Less: Shares purchased from secondary market towards the grant of new stock options by Employee Welfare Trust	(935,340)	(9)	-	-
Number of shares outstanding at the end of the year	**276,794,469**	**2,768**	**277,656,476**	**2,776**
Add: Number of treasury shares held by Sonata Software Limited Employee Welfare Trust	3,630,347	36	2,768,340	28
Number of issued shares outstanding at the end of the year	**280,424,816**	**2,804**	**280,424,816**	**2,804**

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

The Company has equity shares having a par value of ₹ 1/-. Each shareholder, other than shares held by ESOP Trust, is entitled to 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 each shareholder holding more than 5% shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 1/- each fully paid				
Hemendra M Kothari	25,599,986	9.13%	25,599,986	9.13%
Akshay Rajan Raheja	22,000,000	7.85%	22,000,000	7.85%
Viren Rajan Raheja	22,000,000	7.85%	22,000,000	7.85%
Suman R Raheja	18,400,000	6.56%	18,400,000	6.56%
HDFC Multi cap fund (formerly known as HDFC small cap fund)	27,364,821	9.76%	23,078,174	8.23%

iv) Details of shares held by each promoter

For the year ended March 31, 2026	No. of shares at the commencement of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Akshay Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Viren Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Suman R Raheja	18,400,000	-	18,400,000	6.56%	-
Rajan B Raheja	12,766,532	-	12,766,532	4.55%	-
Globus Stores Private Limited	3,829,330	-	3,829,330	1.37%	-

For the year ended March 31, 2025	No. of shares at the commencement of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Akshay Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Viren Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Suman R Raheja	18,400,000	-	18,400,000	6.56%	-
Rajan B Raheja	12,766,532	-	12,766,532	4.55%	-
Globus Stores Private Limited	3,829,330	-	3,829,330	1.37%	-

v) Treasury shares

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
3,630,347 equity shares (treasury) held by trust of face value ₹ 1/- each		
(As at March 31, 2025 : 2,768,340 equity shares (treasury) of face value ₹ 1/- each)	36	28

vi) Equity shares movement during the 5 years preceding March 31, 2026

Equity shares issued as bonus: The Company allotted 138,769,238 equity shares as fully paid up bonus shares in the ratio of 1:1, by capitalisation of securities premium amounting to ₹ 1,387 lakhs for the quarter ended December 31, 2023 (Financial year 2023 - 24), pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.
(Equity shares issued as bonus: The Company allotted 34,642,061 equity shares as fully paid up bonus shares in the ratio of 1:3, by capitalisation of securities premium amounting to ₹ 346 lakhs for the quarter ended September 30, 2022 (Financial year 2022 - 23), pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.)

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, except as disclosed above. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

vii) Distributions of dividend

During the year ended March 31, 2026, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for the year ended March 31, 2025 and ₹ 10,375 lakhs towards interim dividend for the year ended March 31, 2026. (During the year ended March 31, 2025, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for the year March 31, 2024.)

11. Other equity

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium		
Opening balance	3,471	3,126
Premium received on issue of shares on exercise of options	90	345
Less: Premium on shares purchased from secondary market by Employee Welfare Trust amount exceeding face value	(3,191)	-
Closing balance	**370**	**3,471**
Amount received on issue of shares in excess of the par value has been classified as security premium, net of utilisation.		
General reserve	**8,292**	**8,292**
This represents appropriation of profit by the Company.		
There is no movement in general reserve during the year		
Share options outstanding account		
Opening balance	1,612	1,327
Add: Employee share based payments (Refer note 33)	183	285
Closing balance	**1,795**	**1,612**
This represents value of equity-settled share based payment transaction with employees.		
Retained earnings		
Opening balance	66,243	57,093
Profit for the year	27,873	21,377
Less :		
Dividend paid	(22,602)	(12,227)
Closing balance	**71,514**	**66,243**
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	(1,703)	(1,670)
For the year, (net of tax)	(226)	(33)
Closing balance	**(1,929)**	**(1,703)**
The remeasurement of (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to standalone statement of profit and loss recognised in other comprehensive income.		
Effective portion of cash flow hedges		
Opening balance	(375)	(289)
Exchange differences on cash flow hedges (net of tax)	(862)	(86)
Closing balance	**(1,237)**	**(375)**
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.		
Foreign currency translation reserve		
Opening balance	14	14
For the year (net of tax)	-	-
Closing balance	**14**	**14**
The exchange differences arising from the translation of financial statements of foreign operations (branches) with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.		
Total	**78,819**	**77,554**

12. Non-current financial liabilities

12.1. Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 41)	9,338	1,971
Total	**9,338**	**1,971**

12.2. Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Other liabilities*	325	2,589
Total	**325**	**2,589**

Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 30.

* It includes compensation payable to key management personnel of the Company. For the amounts payable to key management personnel refer note 40.

13. Current financial liabilities

13.1. Borrowings

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured loans repayable on demand		
Inter-corporate loan payable (Refer note 40)	8,630	-
Total	**8,630**	-

* For terms and conditions of the above loan, refer note 40

13.2. Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 41)	2,247	517
Total	**2,247**	**517**

13.3. Trade payables*

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer note 27)	291	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,502	6,432
Total	**17,793**	**6,515**

* 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 40. For the amounts payable to Related parties refer note 40.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 30.

Trade payables ageing schedule:

₹ in Lakhs

Particulars	Accrued expenses	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
Total outstanding dues of micro enterprises and small enterprises (Refer note 27)	-	244	47	-	-	-	291
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,855	9,526	4,289	430	169	233	17,502
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**2,855**	**9,770**	**4,336**	**430**	**169**	**233**	**17,793**
As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises (Refer note 27)	-	71	12	-	-	-	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,691	683	2,373	691	509	485	6,432
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**1,691**	**754**	**2,385**	**691**	**509**	**485**	**6,515**

13.4. Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid dividends	660	379
Payable on acquisition of property, plant and equipment	216	29
Employee benefits payable *	3,512	4,583
Other liabilities	-	2
Reimbursable expenses payable to related party (Refe note 40)	1,859	766
Fair value of forward contracts	2,380	345
Total	**8,627**	**6,104**

* It includes compensation payable to key management personnel of the Company. For the amounts payable to key management personnel refer note 40. Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 30.

14. Other current liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Other payables		
Statutory remittances	1,387	1,623
Advances from customers *	110	95
Other liabilities	5	98
Total	**1,502**	**1,816**

* Includes advances received from related parties, refer note 40

15. Provisions

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for compensated absences (Refer note 32)	2,287	1,469
Provision for Gratuity (Refer note 32)	3,256	395
Total	**5,543**	**1,864**

16. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax ₹ 13,453 (for March 31, 2025 ₹ 4,596))	4,032	743
Total	**4,032**	**743**

17A. Income taxes

The income tax asset is ₹ 5,764 Lakhs (net of provision for tax of ₹ 17,604 Lakhs) as at March 31, 2026 and ₹ 7,279 Lakhs (net of provision for tax of ₹ 34,928 Lakhs) as at March 31, 2025.

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	8,170	2,337
Deferred Tax:		
In respect of current year	(369)	(237)
Total Income tax expense recognised in the standalone statement of profit and loss	**7,801**	**2,100**
(b) Income tax recognised in other Comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
On remeasurement of defined benefit plan	(76)	(11)
On net movement on effective portion of cash flow hedges	(290)	(29)
Total	**(366)**	**(40)**

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	35,674	23,477
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	8,978	5,909
Effect of:		
Income exempt from tax	(4,672)	(3,976)
Expenses that are not deductible in determining taxable profit	86	79
Items that are deductible in determining taxable profit	(77)	-
Effect relating to prior years	3,233	23
Others	253	65
Income tax expense recognised in the standalone statement of profit and loss	**7,801**	**2,100**

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

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 01, 2019, subject to certain conditions. The Company had opted to pay tax at the reduced rate.

Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

The Company is also subject to tax on income attributable to its permanent establishments in foreign jurisdictions due to operation of its foreign branches.

The Pillar Two legislations are neither enacted nor substantively enacted by Government of India, where the Parent Company is incorporated. Pillar Two legislation has been enacted, or substantively enacted, in certain other jurisdictions where the Company operates. However, the Company does not expect any material financial impact for the year ended March 31, 2026. The Company is continuing to assess the impact, if any, of Pillar Two income taxes legislation on future financial performance.

17B. Deferred tax assets

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

₹ in Lakhs

Particulars	As at April 1, 2025	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	As at March 31, 2026
Property, plant and equipment	320	(68)	-	252
Allowances for credit losses	67	23	-	90
Right of use assets	(526)	(2,210)	-	(2,736)
Lease liabilities	627	2,290	-	2,917
Expenses allowable on tax deduction	9	10	-	19
Expenses allowable on payment basis	442	141	-	583
Net gain or loss on fair value of mutual funds	(4)	8	-	4
Defined benefit plans (Items that will not be reclassified to profit/(loss))	115	-	76	191
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(48)	-	-	(48)
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	202	-	290	492
Others, including employee and other payables	134	175	-	309
Total	**1,338**	**369**	**366**	**2,073**

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

₹ in Lakhs

Particulars	As at April 1, 2024	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	As at March 31, 2025
Property, plant and equipment	240	80	-	320
Allowances for credit losses	130	(63)	-	67
Right of use assets	(766)	240	-	(526)
Lease liabilities	736	(109)	-	627
Expenses allowable on tax deduction	90	(81)	-	9
Expenses allowable on payment basis	434	8	-	442
Net gain or loss on fair value of mutual funds	8	(12)	-	(4)
Defined benefit plans (Items that will not be reclassified to profit/(loss))	104	-	11	115
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(48)	-	-	(48)
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	173	-	29	202
Others, including employee and other payables	(40)	174	-	134
Total	**1,061**	**237**	**40**	**1,338**

Deferred tax assets has not been recognised on accumulated long term capital loss of ₹ Nil and ₹ 962 Lakhs as at March 31, 2026 and March 31, 2025 respectively as there is no reasonable certainity that taxable profit will be available against which the unused tax losses can be utilised in foreseeable future.

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	Unabsorbed loss	Deferred tax	Unabsorbed loss	Deferred tax
Unused tax losses (long term capital loss) which expire in:				
-AY 2025-26	-	-	962	138
Total	**-**	**-**	**962**	**138**

18.1. Revenue from operations*

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from software services	115,249	98,146
Revenue from software product and licenses	20,988	236
Other operating revenues	439	749
Total	**136,676**	**99,131**

* Refer note 24 for disaggregate revenue information and refer note 40 for related parties revenue from operations.

18.2. Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income*	363	584
Dividend income from long-term investments in subsidiaries (Refer note 40)	18,562	15,800
Net gain on investments carried at fair value through profit or loss	220	195
Net gain/(loss) on derivatives carried at fair value through profit or loss	(2,543)	(400)
Net gain/(loss) on foreign currency transactions and translations	6,674	1,415
Other non-operating income		
Net gain on sale of fixed assets	20	-
Liabilities/provisions no longer required written back	33	1
Commission (includes transactions with related parties - Refer note 40)	910	341
Gain on termination of lease	203	1
Miscellaneous income	11	455
Total	**24,453**	**18,392**
***Interest income comprises of:**		
Interest on bank balances and bank deposits	143	387
Interest on sub lease ROU asset (Refer note 41)	2	13
Interest on Inter-corporate loans (Refer note 40)	137	4
Interest on financial assets carried at amortised cost	56	-
Interest on financial assets carried at fair value through profit or loss	-	5
Interest on Income-tax refund	25	175

19.1. Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade (traded goods) (includes transactions with related parties - Refer note 40)	20,937	213
Total	**20,937**	**213**

19.2. Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Stock		
Stock-in-trade - Hardware/Software product and licenses	2	-
	2	**-**
Closing Stock		
Stock-in-trade - hardware/software product and licenses	4	2
	4	**2**
(Increase) / decrease in inventories	**(2)**	**(2)**

20. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	75,181	71,869
Contributions to provident and other funds (Refer note 32)	5,595	4,746
Share based payments to employees (Refer note 33)	183	285
Staff welfare expenses	732	650
Total	**81,691**	**77,550**

21. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	17	8
Inter-corporate loans (Refer note 40)	206	-
Lease liabilities (Refer note 41)	1,126	284
Others	(252)	144
Other borrowing costs	4	33
Total	**1,101**	**469**

22. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (Refer note 3)	1,172	1,334
Depreciation of right of use assets (Refer note 41)	1,894	795
Total	**3,066**	**2,129**

23. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel	274	308
Rent (includes transactions with related parties - Refer note 40 & 41)	287	755
Repairs and maintenance - Buildings	-	15
Repairs and maintenance - Machinery	110	84
Insurance	1,233	1,284
Rates and taxes	34	131
Communication cost	418	507
Facility maintenance	295	352
Travelling and conveyance expenses	1,160	1,190
Professional and technical fees	1,010	1,478
Software project fees (Refer note 40)	597	888
Legal fees	68	74
Recruitment	685	635
Insourcing professional fees	4,036	2,111
Software license fees (includes transactions with related parties - Refer note 40)	2,494	2,215
Expenditure on corporate social responsibility (Refer note 36)	201	282
Payments to auditors (Refer note below)	164	210
Net loss on fixed assets sold / scrapped	-	32
Impairment loss recognised on trade receivables and contract assets (Refer note 24 & 30)	2,179	265
Miscellaneous expenses	797	871
Total	**16,042**	**13,687**
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	141	182
Other services	12	14
Reimbursement of expenses	11	14
	164	**210**

24. Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 by contract type. The 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, 2026			For the year ended March 31, 2025		
	India	Other than India	Total	India	Other than India	Total
Revenue from software services (over the period)						
Time and material	7,500	80,781	88,281	7,379	66,552	73,931
Fixed price	3,663	23,744	27,407	2,955	22,009	24,964
Revenue from software product and licenses at a point in time	12,217	8,771	20,988	-	236	236
Total	**23,380**	**113,296**	**136,676**	**10,334**	**88,797**	**99,131**

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:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	**2,577**	**1,519**
Amount accrued during the year	4,266	3,575
Deduction on account of revenues billed during the year	(2,280)	(2,517)
Allowance for expected credit losses on contract assets	(2,064)	-
Balance as at end of the year	**2,499**	**2,577**

Contract liabilities

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	**-**	**2,853**
Additional amounts billed but not recognized as revenue	69	372
Deduction on account of revenues recognised during the year	(70)	(3,317)
Translation exchange differences	1	92
Balance as at end of the year	**-**	**-**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the

scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2026, other than those meeting the exclusion criteria mentioned above, is ₹ 9,126 lakhs (As at March 31, 2025 is ₹ 5,188 Lakhs). The Company expects to recognize ₹ 5,725 Lakhs as revenue within the next one year (As at March 31, 2025 is ₹ 3,176 Lakhs). 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.

25. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
a) Guarantees		
The Company has given corporate guarantees to certain suppliers of Sonata Information Technology Limited (SITL), its wholly owned subsidiary. Maximum guaranteed obligations under the two guarantee agreements shall not exceed ₹ 37,925 Lakhs (USD 40,000,000) and ₹ 500 Lakhs respectively.	38,425	34,685
The Company has given corporate guarantees to banks, towards the borrowings undertaken by Sonata Software North America Inc. (SSNA), its wholly owned subsidiary. Maximum guaranteed obligations under the two guarantee agreements shall not exceed ₹ 40,295 Lakhs (USD 42,500,000) and ₹ 33,184 Lakhs (USD 35,000,000) respectively	73,479	-
b) Claims against the Company not acknowledged as debt		
i) Disputed demand of Service tax		
The demand for payment of service tax for the period from FY 2006-07 to FY 2012-13 on services received and consumed by UK branch of the Company and a subsidiary Company at USA, treating it as import of service, wrong availment of CENVAT credit and usage of software services provided to subsidiary. The Company had filed appeal before the Commissioner of Appeals and is confident of getting favourable outcome based on legal precedents which support its stand.	1,028	1,028
ii) Others	2,341	2,341
iii) Disputed demands of Income-tax	6,845	6,845

Details of disputed demands of Income-tax primarily relate to:

Disallowance of claims made under Section 10A of the Income-tax Act, 1961

The Company does its business of software exports through multiple operating units or undertakings registered under the Software Technology Park Scheme of India. In computing taxable profit from the export of software, the Company claims exemptions provided to registered software technology parks, undertakings and units as provided under Section 10A of the Income-tax Act, 1961 ("Act").

For the financial years 2005-06 and 2006-07 ₹ 4,570 lakhs (As at March 31, 2025 - ₹ 4,570 lakhs), the Company has received favourable order from Income-tax Appellate Tribunal (ITAT) and the Department has preferred an appeal before the Honourable High Court of Bombay.

For financial year 2010-11 ₹ 2,275 lakhs (As at March 31, 2025 ₹ 2,275 lakhs for financials years 2010-11 and 2019-20), assessing officer has re-opened the Assessment under Section 148 of the Act and disallowed 10A benefit. The Company has preferred an appeal before Commissioner of Income-tax (Appeals).

c) In addition, the Company in the ordinary course of business receives various claims from its customers and other business partners.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash flow in respect of the above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities. Based on review of such matters and the information available at this time, the Company does not anticipate that any of these including the tax litigations, will result in a settlement that will have a material adverse impact on its financial statements. The Company has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in the standalone financial statements.

26. Commitments

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for.	400	121

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

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	291	83
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accouting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

28. Financial instruments

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

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total Carrying value
Investment in preference shares (Unquoted)	5.1	-	-	2,500	2,500
Security deposits	5.3 & 8.5	-	-	1,215	1,215
Loans	5.2	-	-	9,481	9,481
Trade receivable	8.2	-	-	89,731	89,731
Cash and cash equivalents	8.3	-	-	3,143	3,143
Other balances with banks	8.4	-	-	1,504	1,504
Other financial assets	5.3 & 8.5	-	-	946	946
Total		**-**	**-**	**108,520**	**108,520**
Financial liabilities					
Borrowings	13.1	-	-	8,630	8,630
Trade payables	13.3	-	-	17,793	17,793
Lease liabilities	12.1 & 13.2	-	-	11,585	11,585
Other financial liabilities	12.2 & 13.4	-	-	6,572	6,572
Forward contracts	13.4	1,009	1,371	-	2,380
Total		**1,009**	**1,371**	**44,580**	**46,960**

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
Investment in preference shares (Unquoted)	5.1	-	-	2,500	2,500
Investment in mutual fund (Quoted)	8.1	1,554	-	-	1,554
Investment in PSU Bonds	8.1	-	-	54	54
Security deposits	5.3 & 8.5	-	-	1,294	1,294
Trade receivable	8.2	-	-	66,471	66,471
Cash and cash equivalents	8.3	-	-	2,439	2,439
Other balances with banks	8.4	-	-	5,943	5,943
Other financial assets	5.3 & 8.5	-	-	908	908
Forward contracts	8.5	20	68	-	88
Total		**1,574**	**68**	**79,609**	**81,251**
Financial liabilities					
Trade payables	13.3	-	-	6,515	6,515
Lease liabilities	12.1 & 13.2	-	-	2,488	2,488
Other financial liabilities	12.2 & 13.4	-	-	8,348	8,348
Forward contracts	13.4	58	287	-	345
Total		**58**	**287**	**17,351**	**17,696**

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, inter corporate loans, borrowings, lease liabilities 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 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, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments 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, 2026 and March 31, 2025.

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

₹ in Lakhs

Particulars	Fair value		Fair value hierarchy
	As at March 31, 2026	As at March 31, 2025	
Investment in mutual funds - Refer note 8.1	-	1,554	Level 1
Investments in PSU bonds - Refer note 8.1	-	54	Level 2
Foreign currency forward contracts (assets) - Refer note 8.5	-	88	Level 2
Foreign currency forward contracts (liabilities) - Refer note 13.4	2,380	345	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
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

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	For the year ended March 31, 2026	For the year ended March 31, 2025
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	1,391	(115)
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	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	(375)	(289)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	1,391	(115)
Net (loss) reclassified into statement of profit and loss on occurrence of hedged transactions	(2,543)	-
Deferred tax asset / (liability)	290	29
Cash flow hedging reserve (net of tax)	(1,237)	(375)

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

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
In USD	330	445	29,981	38,177
in GBP	56	45	6,647	5,041
in EUR	26	18	2,698	1,662
in AUD	15	11	967	621
in SGD	-	21	-	1,381

The foreign exchange forward contracts mature anywhere between 0-1.5 year.

Average rate of coverage:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in Lakhs	Weighted Average Rate (₹)	Amount in Lakhs	Weighted Average Rate (₹)
USD	330	90.85	445	85.85
GBP	56	119.50	45	112.02
EUR	26	105.00	18	94.90
AUD	15	62.82	11	56.49
SGD	-	-	21	64.64

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

Particulars	Less than 6 months		6 - 12 months		More than 1 year	
	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)
As at March 31, 2026						
USD	17,755	90.36	9,906	91.30	2,320	92.80
GBP	5,748	119.44	899	119.87	-	-
EUR	2,698	105.00	-	-	-	-
AUD	647	62.20	320	64.10	-	-
As at March 31, 2025						
USD	25,154	85.41	9,061	86.30	3,962	88.04
GBP	2,772	110.86	1,004	111.58	1,265	115.04
EUR	922	92.15	244	97.41	496	99.14
AUD	419	55.91	202	57.72	-	-
SGD	1,381	64.64	-	-	-	-

30. Financial risk management

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

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

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

i) Credit risk

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

losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

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

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

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from customers having more than 10% of total revenue	82,418	63,656
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	For the year ended March 31, 2026		For the year ended March 31, 2025	
	India	Other than India	India	Other than India
Trade receivables	12,209	78,177	2,879	64,015
Allowance for credit loss	80	576	10	413
% of credit loss to trade receivables	0.65%	0.74%	0.35%	0.65%

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 Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	423	1,382
Allowance for expected credit loss (net)*	414	(623)
Bad debts written off during the year	(197)	(337)
Foreign exchange differences	15	1
Balance at the end of the year	**655**	**423**

* The Company has adjusted compensation right asset amounting to ₹ 299 Lakhs against the allowance for expected credit loss. The Company has disclosed the remaining amount of ₹ 115 Lakhs as allowance for expected credit loss (As at March 31, 2025: The Company has reversed compensation right asset amounting to ₹ 888 Lakhs against the allowance for expected credit loss. The Company has disclosed the remaining amount of ₹ 265 Lakhs as allowance for expected credit loss).

The Company made necessary applications during the year ended March 31, 2026 and March 31, 2025 to regularize through its Authorized Dealer Banks for receivables on export services which are outstanding for a period exceeding the time limits for receipt of foreign currency receivables under Foreign Exchange Management Act, 1999. The Company does not anticipate that the outcome of this matter will have a material adverse impact on its financial statements.

Investments and bank balances

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

ii) Liquidity risk

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

The Company has availed working capital demand loan / overdraft facility from various banks for working capital purposes and secured against Inventories, and receivables of the Company under the loan arrangement which carries interest rate between 6.95% to 12.71% (March 31, 2025: 6.93% to 10.69%). Company has availed working capital loans of ₹ 8,030 lakhs (March 31, 2025: ₹ 3,694 lakhs) and the same have been repaid during the year. The outstanding balance as on March 31, 2026 is Nil and March 31, 2025 is Nil Lakhs.

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, 2026	As at March 31, 2025
Cash and cash equivalents	3,143	2,439
Other balances with banks	1,504	5,943
Investments in mutual funds (quoted)	-	1,554
Investments in PSU Bonds (Quoted)	-	54
Trade receivables	89,731	66,471
Other current financial assets	1,020	1,559
Other current assets	5,303	4,240
Derivative financial instruments - cash flow hedge	-	88

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

₹ in Lakhs

Particulars	As at March 31, 2026		
	Less than 1 year	1-2 years	2 years & above
Borrowings	8,630	-	-
Trade payables	17,793	-	-
Other financial liabilities	6,247	325	-
Lease liabilities	2,368	2,459	11,083
Derivative financial instruments - cash flow hedge	2,380	-	-

₹ in Lakhs

Particulars	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Trade payables	6,515	-	-
Other financial liabilities	5,759	2,781	-
Lease liabilities	536	331	2,768
Derivative financial instruments - cash flow hedge	345	-	-

iii) Market risk

Foreign currency exchange rate risk

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

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

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

₹ in Lakhs

Particulars	As at March 31, 2026				For the year ended March 31, 2026		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	40,293	-	2,380	Fair value of forward contracts under other financial assets and other financial liabilities.	(1,152)	(2,543)	Other income

₹ in Lakhs

Particulars	As at March 31, 2025				For the year ended 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	46,882	88	345	Fair value of forward contracts under other financial assets and other financial liabilities.	(115)	(400)	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 ₹ 427 lakhs increase and decrease in the Company's net profit as at March 31, 2026

b) an approximately ₹ 444 lakhs increase and decrease in the Company's net profit as at March 31, 2025

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

Exposure currency:

₹ in Lakhs

As at March 31, 2026	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	70,705	5,300	2,502	162
Cash and cash equivalents	369	722	30	31
Other assets	37	-	4,526	90
Liabilities				
Trade payables	5,749	3	382	314
Net assets/liabilities	**65,362**	**6,019**	**6,676**	**(31)**

As at March 31, 2025	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	51,269	9,417	2,670	848
Cash and cash equivalents	39	58	30	4
Other assets	110	257	2,445	124
Liabilities				
Trade payables	3,008	-	332	235
Net assets/liabilities	**48,410**	**9,732**	**4,813**	**741**

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

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

₹ in Lakhs

Currencies	March 31, 2026	March 31, 2025
USD	654	484
GBP	60	97
EUR	67	48
Other currencies	-	7
Total	**781**	**636**

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:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total equity attributable to the equity share holders of the Company	81,587	80,330
As percentage of total capital	80%	97%
Lease liabilities	11,585	2,488
Current borrowings	8,630	-
Total borrowings and lease liabilities	**20,215**	**2,488**
As a percentage of total capital	20%	3%
Total capital (borrowings and equity)	**101,802**	**82,818**

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

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

Based on the requirements of New Labour Codes and relevant Accounting Standards, the Company has estimated the liability for employee benefits, which has resulted in an incremental expense, on account of recognition of past service costs. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality, regulatory-driven, non-recurring nature of this impact, the Company has presented the same as an 'Exceptional Item' in the standalone statement of profit and loss for the year ended March 31, 2026 consisting of gratuity of ₹ 1,988 lakhs and compensated absences of ₹ 632 lakhs.

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

i) Defined contribution plans

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

a) Provident fund

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

Provident fund contributions amounting to ₹ 1,380 lakhs (for the year ended March 31, 2025 ₹ 1,367 lakhs) has been charged to the standalone statement of profit and loss (as part of contribution to provident fund and other funds in Note 20 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	As at March 31, 2026	As at March 31, 2025
Superannuation (as part of contribution to provident fund and other funds in Note 20 Employee benefits expense)	2,407	1,995
National pension scheme (as part of contribution to provident fund and other funds in Note 20 Employee benefits expense)	262	171
National insurance contribution (as part of contribution to provident fund and other funds in Note 20 Employee benefits expense)	442	331
Other contribution (as part of contribution to provident fund and other funds in Note 20 Employee benefits expense)	37	36

ii) Defined benefit plans - Gratuity

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

Gratuity is a defined benefit plan and Group 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 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 regulatory guidelines.

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

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.22%	6.80%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	7.22%	6.80%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Weighted average duration of the defined benefit obligation	4.06 years	4.09 years

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Service cost:		
Current service cost	1,046	838
Past service cost *	1,988	-
Net interest expense	20	8
Components of defined benefit costs recognised in standalone statement of profit and loss	**3,054**	**846**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	558	(148)
Actuarial (gains) / losses arising from changes in financial assumptions	(287)	207
Actuarial (gains) / losses arising from experience adjustments	31	(15)
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	**302**	**44**

The current service cost and the net interest expense for the year are included in Note 20 Employee benefit expense line item in the standalone statement of profit and loss.

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(11,547)	(8,872)
Fair value of plan assets	8,291	8,477
Net (liability) / assets arising from defined benefit obligation	**(3,256)**	**(395)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	8,872	7,790
Current service cost	1,046	838
Past service cost *	1,988	-
Interest cost	600	570
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(287)	207
Actuarial gains and losses arising from experience adjustments	31	(15)
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Benefits paid	(703)	(812)
Others	-	294
Closing defined benefit obligation	**11,547**	**8,872**
Movements in the fair value of the plan assets are as follows		
Opening fair value of plan assets	8,477	7,687
Interest income	580	562
Return on plan assets (excluding amounts included in net interest expense)	(558)	148
Contributions from the employer to Gratuity Fund	495	614
Benefits paid	(703)	(812)
Others	-	278
Closing fair value of plan assets	**8,291**	**8,477**

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

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

Particulars	As at March 31, 2026	As at March 31, 2025
Insurer Managed Funds	100%	100%
Category of funds :		
Defensive Fund	53.20%	54.95%
Balanced Fund	46.75%	45.00%
Stable Fund	0.05%	0.05%

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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(632)	705	(501)	560
Future salary growth (1% movement)	742	(677)	609	(553)
Employee turnover rate (1% movement)	53	(62)	31	(36)

The Company expects to contribute ₹ 4,907 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, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	11,547	8,872	7,790	6,872	6,258
Fair value of plan assets	8,291	8,477	7,687	6,265	5,680
Surplus / (deficit)	(3,256)	(395)	(103)	(607)	(578)
Experience adjustments on plan liabilities - (gain)/losses	31	(15)	44	561	1,240
Experience adjustments on plan assets - (losses)/gain	(558)	148	559	(178)	135

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	1,878	1,360
1-2 years	1,316	971
2-3 years	1,247	939
3-4 years	1,448	908
4-5 years	1,242	1,031
5 years and Above	12,275	9,313

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, 2026	As at March 31, 2025
Discount rate(s)	7.22%	6.80%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2%	2%

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	2,287	1,469
Present value of compensated absences	**2,287**	**1,469**

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

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(63)	71	(35)	(35)
Future salary growth (1% movement)	70	(63)	37	(34)
Withdrawal rate (1% movement)	(32)	36	(40)	43

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	348	94
1-2 years	206	79
2-3 years	152	74
3-4 years	138	64
4-5 years	111	58
5 years and above	472	242

33. Share-based payments

a) Employee share option plan of the Company

i) Details of the employee share option plan of the Company

The Company has a stock option plan for employees of the Company and its subsidiaries, authorized by the nomination and remuneration committee. In accordance with the terms of the plan, as approved by shareholders at its annual general meeting dated August 19, 2014. Eligible employees are granted to get stock option with graded vesting period of four years. The quantum of stock option is decided by the Nomination and Remuneration Committee. The shares are transferred to employees from the Sonata Software Limited Employee Welfare Trust based on approval.

Each vested stock option shall convert into one equity share of the Company upon exercise. The exercise price of the stock option shall be the closing market price of the share on National Stock Exchange of India Limited on the trading day immediately preceding the date of the grant . The stock options carry neither rights to dividends nor voting rights unless the transfer of shares from the Sonata Software Limited Employee Welfare Trust to the employee is duly registered by the Company . Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the year ended March 31, 2026

Number of Shares	Grant date	Vesting date	Exercise price (₹)	Fair value of the stock options at grant date (₹)	Contractual terms
53,332	May 29, 2020	May 28, 2023	77.27	23.49	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Company
1,022,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
79,998	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
40,000	May 25, 2022	May 24, 2026	247.07	77.79 - 87.93	
120,000	Apr 3, 2023	Apr 2, 2027	418.15	115.48 - 130.99	
125,000	Dec 27, 2024	Dec 27, 2028	615.10	178.31 - 250.86	

The following share-based payment arrangements were in existence during the year ended March 31, 2025

Number of Shares	Grant date	Vesting date	Exercise price (₹)	Fair value of the stock options at grant date (₹)	Contractual terms
53,332	May 29, 2020	May 28, 2023	77.27	23.49	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Company.
1,066,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
79,998	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
60,000	May 25, 2022	May 24, 2026	247.07	77.79 - 87.93	
160,000	Apr 3, 2023	Apr 2, 2027	418.15	115.48 - 130.99	
125,000	Dec 27, 2024	Dec 27, 2028	615.10	178.31 - 250.86	

(ii) Fair value of share options outstanding at the year end

Options are priced using Black - Scholes pricing model.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

Inputs into the model

For the year ended March 31, 2026

Grant date	May 29, 2020	Apr 8, 2022	May 19, 2022	May 25, 2022	Apr 3, 2023	Dec 27, 2024
Grant date share price (₹)	101.45	299.98	252.21	241.43	429.50	600.40
Exercise price (₹)	77.27	294.55	250.66	247.07	418.15	615.10
Expected volatility (%)	40	40	40	40	40	34.6
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.00	2.00	2.00	4.50	2.60
Risk-free interest rate (%)	4.76-5.26	6.00 - 6.67	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32	6.89

For the year ended March 31, 2025

Grant date	May 29, 2020	Apr 8, 2022	May 19, 2022	May 25, 2022	Apr 3, 2023	Dec 27, 2024
Grant date share price (₹)	101.45	299.98	252.21	241.43	429.50	600.40
Exercise price (₹)	77.27	294.55	250.66	247.07	418.15	615.10
Expected volatility (%)	40	40	40	40	40	34.6
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.00	2.00	2.00	4.50	2.60
Risk-free interest rate (%)	4.76-5.26	6.00 - 6.67	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32	6.89

(iii) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	FY 2025-2026		FY 2024-2025	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	1,440,994	292.95	1,419,994	295.83
Granted during the year	-	-	125,000	217.34
Exercised during the year	73,333	123.58	104,000	332.95
Cancelled during the year	50,000	467.89	-	-
Balance at end of year	**1,317,661**	**326.25**	**1,440,994**	**292.95**
Exercisable at the end of the year	873,080	306.24	569,330	272.13

(iv) Stock options exercised during the year

The following share options were exercised during the financial year 2025-26:

Granted on	Number exercised	Exercised date	Share price at exercise date (₹)
May 29, 2020	53,333	April 21, 2025	318.44
May 25, 2022	20,000	July 10, 2025	431.79

The following share options were exercised during the financial year 2024-25:

Granted on	Number exercised	Exercised date	Share price at exercise date (₹)
May 25, 2022 to April 04, 2023	60,000	June 06, 2024 to June 18, 2024	530.11 to 567.23
April 8, 2022	44,000	Mar 28, 2025 to Mar 29, 2025	351.68

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 326.25 (as at March 31, 2025 ₹ 320.85)

During the year, the amount recognised as net expense for employee stock options is ₹ 183 Lakhs (for the year ended March 31, 2025 is ₹ 285 Lakhs).

34. Segment reporting

The Company publishes this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

35. Consolidation of Employee Welfare Trust

Ind AS 110 – Consolidated financial statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in view of which the Company has consolidated Sonata Employee Welfare Ttrust accounts in its standalone financial statements.

During the year ended March 31, 2026, no advance has been given to Sonata Software Employees Welfare Trust. The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the Company. Cash and cash equivalents and bank balances of ₹ 311 lakhs, investments ₹ 3,220 lakhs and other liabilities ₹ 194 lakhs, equity ₹ 3,337 lakhs. (During the year ended March 31, 2025, no advance has been given to Sonata Software Employees Welfare Trust. The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the Company. Cash and cash equivalents and bank balances of ₹ 3,231 lakhs, investments ₹ 21 lakhs, other assets ₹ 5 lakhs and other liabilities ₹ 54 lakhs, equity ₹ 3,203 lakhs)

36. 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 for 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 the areas of education, healthcare, livelihood support, conserving art and economic empowerment of Artisans through technological support.

(i) Gross amount required to be spent by the Company and approved by Board of Directors during the year is ₹ 201 lakhs (Previous year is ₹ 282 lakhs).

(ii) Amount spent during the year is ₹ 208 lakhs (Previous year is ₹ 282 lakhs).

₹ in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	208	-	208	282	-	282
Total	**208**	**-**	**208**	**282**	**-**	**282**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(1)	(1)
Add: Amount required to be spent during the year	201	282
Less: Amount Spent during the year	(208)	(282)
Closing balance (short / (excess) spent)	**(8)**	**(1)**

37. Earnings per share

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

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax attributable to equity shareholders (₹ in lakhs) (a)	27,873	27,873	21,377	21,377
Weighted average number of equity shares outstanding during the period (Nos)	280,424,816	280,424,816	280,371,161	280,371,161
Weighted average number of potential equity shares exercised by Sonata Software Limited Employee Welfare Trust (Nos)	(3,006,965)	(3,006,965)	(2,768,340)	(2,768,340)
Weighted average number of equity shares resulting from assumed exercise of employee stock options (Nos) *	-	-	-	285,737
Weighted average number of equity shares for calculation of earning per share (Nos) (b)	277,417,851	277,417,851	277,602,821	277,888,558
Basic earning per share (a/b)	10.05	-	7.70	-
Diluted earning per share (a/b)	-	10.05	-	7.69

* Due to the anti-dilutive effect of potential equity shares, the diluted earnings per share has been restricted to the basic earnings per share for the year ended March 31, 2026.

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

39. Distributions made and proposed (Refer note 10 & 11):

The Board of Directors at its meeting held on May 07, 2026 have recommended a final dividend of 415% (₹ 4.15 per equity share of par value ₹ 1 each), which is subject to approval of shareholders.

The Board of Directors at their meeting held on July 30, 2025 had declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).

The Board of Directors at their meeting held on November 13, 2025 had declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).

The Board of Directors at their meeting held on February 06, 2026 had declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).

The Board of Directors at its meeting held on May 07, 2025 had recommended a final dividend of 440% (₹ 4.40 per equity share of par value ₹ 1 each), which was approved by the shareholders.

40. Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
a) Wholly owned subsidiaries (WOS)	Sonata Information Technology Limited
	Sonata Software Solutions Limited
	Sonata Software North America Inc.
	Sonata Software GmbH
	Sonata Europe Limited
	Sonata Australia Pty Ltd
	Encore IT Services Solutions Private Limited
	Sonata Software Intercontinental Limited
	Sonata Software Malaysia SDN. BHD.
(b) Step-down subsidiaries	Sonata Software (Qatar) LLC
	GAPbuster Limited [4]
	GAPbuster Europe Limited [4]
	GAPbuster Inc
	GAPbuster Worldwide Pty Limited
	Sonata Software (Shanghai) Co., Ltd
	Sonata Software Japan KK
	Sonata Software Worldwide Malaysia SDN. BHD.
	Encore Software Services, Inc.[1]
	Sonata Software Canada Limited
	Sonata Latin America S. DE R.L. DE C.V.
	Sonata Software LLC,US (formerly known as Sopris Systems LLC)[1]
	Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)
	Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)
	Quant Systems CRC Inc Sociedad de Responsabilidad Limitada
	Woodshed LLC
	Sonata Software Solutions - Egypt
(c) Entity with common key management personnel (KMPE)	Outlook Publishing (India) Private Limited
(d) Post-employment benefit plan (Refer Note 31)	Sonata Software Limited Gratuity Fund
	Sonata Software Officers' Superannuation Fund
(e) Key management personnel (KMP)	Mr. Samir Dhir, Managing Director & Chief Executive Officer (resigned effective May 08, 2026)
	Mr. P Srikar Reddy, Executive Vice Chairman & Whole Time Director
	Mr. Pradip P Shah, Chairman & Independent Director (upto August 10, 2024)
	Ms. Radhika Rajan, Independent Director (upto August 12, 2024)
	Mr. Surin Kapadia, Independent Director (w.e.f August 06, 2024)
	Ms. Mona Ninad Desai, Independent Director (w.e.f August 06, 2024)
	Mr. Viren Raheja, Non Executive Director
	Mr. S B Ghia, Non Executive Director
	Mr. Sanjay K Asher, Chairman (w.e.f August 15, 2024) & Independent Director
	Mr. Jagannathan C N, Chief Financial Officer
	Ms. Mangal Krishnarao Kulkarni, Company Secretary

ii) Transactions with related parties :

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2026	March 31, 2025
Rendering of services		
Sonata Software North America Inc.	67,556	49,798
Sonata Europe Limited	5,663	8,069
Gapbuster Worldwide Pty Limited	51	102
Sonata Australia Pty Ltd	1,629	2,323
Sonata Software Canada Limited	125	180
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	141	134
Sonata Software Intercontinental Limited	231	422
Sonata Information Technology Limited	68	58
Purchase of Software products, licenses		
Sonata Information Technology Limited	21,603	4,201
Software project fees		
Sonata Software Solutions Limited [4]	57	-
Sonata Software GmbH	304	732
Sonata Software Malaysia SDN. BHD.	249	37
Sonata Australia Pty Ltd.	44	120
Reimbursement of expenses received		
Sonata Information Technology Limited	265	208
Sonata Software North America Inc.	9	63
Sonata Software GmbH	2	14
Sonata Software Solutions Limited	2	10
Sonata Australia Pty Ltd	34	4
Sonata Europe Limited	1,315	1,870
Sonata Software Malaysia SDN. BHD.	1	17
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	31	181
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	2	-
Encore IT Services Solutions Private Limited	-	199
Sonata Software Intercontinental Limited	-	1

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2026	March 31, 2025
Reimbursement of expenses paid		
Sonata Software North America Inc.	1,500	192
Sonata Europe Limited	31	1,382
Sonata Software Worldwide Malaysia SDN. BHD.	1	1
Gapbuster Worldwide Pty Limited	78	86
Sonata Information Technology Limited	4	-
Sonata Australia Pty Ltd	-	100
Encore IT Services Solutions Private Limited	10	8
Sonata Software Solutions Limited	5	-
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	428	60
Sale of property, plant and equipment		
Sonata Software Solutions Limited	-	16
Inter corporate loans given [C]		
Sonata Information Technology Limited	-	3,250
Encore IT Services Solutions Private Limited	-	53
Inter corporate term-loan given [D]		
Sonata Software North America Inc.	8,989	-
Inter corporate loans recovered [C]		
Sonata Information Technology Limited	-	3,250
Encore IT Services Solutions Private Limited	-	53
Inter corporate loans received [B]		
Sonata Information Technology Limited	27,300	-
Sonata Software Solutions Limited	1,300	-
Inter corporate loans repaid [B]		
Sonata Information Technology Limited	19,320	-
Sonata Software Solutions Limited	650	-
Interest income on inter corporate loans [C & D]		
Sonata Information Technology Limited	-	4
Sonata Software North America Inc.	137	-

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2026	March 31, 2025
Interest expense on inter corporate loans [B]		
Sonata Information Technology Limited	198	-
Sonata Software Solutions Limited	8	-
Rent received		
Sonata Information Technology Limited	84	52
Rent expense		
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	1,304	-
Security deposit paid		
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	975	-
Dividend received		
Sonata Software Solutions Limited	4,500	2,300
Sonata Information Technology Limited	14,000	13,000
Encore IT Services Solutions Private Limited	-	500
Sonata Europe Limited	62	-
Guarantees given on behalf of subsidiary [E]		
Sonata Software North America Inc.	66,287	-
Commission received on guarantees given on behalf of subsidiary		
Sonata Information Technology Limited	361	343
Sonata Software North America Inc.	549	-
Compensation of key management personnel of the Company		
Short-term employee benefits [2]	1,335	1,482
Other long term employee benefits [6]	(2,816)	896
Share-based payment transactions	76	170
Others	393	363
Total compensation paid to key management personnel	**(1,012)**	**2,911**

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2026	March 31, 2025
Balances outstanding at the end of the year		
Trade receivables		
Sonata Software North America Inc.	65,741	49,593
Sonata Europe Limited	2,046	4,518
Sonata Australia Pty Ltd	-	556
Sonata Software Solutions Limited	-	25
Sonata Software Intercontinental Limited	660	622
Sonata Software Canada Limited	80	13
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	-	178
Gapbuster Worldwide Pty Limited	-	6
Sonata Information Technology Limited	142	51
Reimbursement of expenses receivable		
Sonata Information Technology Limited	177	177
Sonata Software North America Inc.	13	140
Sonata Software GMBH	-	14
Sonata Australia Pty Ltd	8	-
Sonata Software Solutions Limited	2	10
Encore IT Services Solutions Private Limited	-	31
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	382	182
Sonata Europe Limited	3	82
Trade payables		
Sonata Information Technology Limited	12,966	3,100
Sonata Australia Pty Ltd	596	534
Sonata Software GMBH	31	330
Sonata Software Malaysia SDN. BHD.	274	-
Sonata Software Solutions Limited	62	-
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	128	-
Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.)	98	-
Reimbursement of expenses payable		
Sonata Software North America Inc.	1,183	24
Sonata Information Technology Limited	210	25
Sonata Europe Limited	244	616
Sonata Australia Pty Ltd	110	93
Gapbuster Worldwide Pty Limited	94	8
Sonata Software Worldwide Malaysia SDN. BHD.	1	-

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2026	March 31, 2025
Encore IT Services Solutions Private Limited	9	-
Sonata Software Solutions Limited	8	-
Advance from customers		
Sonata Software Solutions Limited	8	-
Sonata Australia Pty Ltd	95	-
Advance to suppliers		
Outlook Publishing (India) Private Limited	-	24
Inter-corporate term-loan receivable [D]		
Sonata Software North America Inc.	9,481	-
Inter-corporate loans payable [B]		
Sonata Information Technology Limited	7,980	-
Sonata Software Solutions Limited	650	-
Security deposit recoverable		
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	975	-
Dividend receivable		
Sonata Europe Limited	62	-
Guarantees given on behalf of Subsidiary [3]		
Sonata Information Technology Limited	38,425	34,685
Sonata Software North America Inc. [E]	73,479	-
Payable to key management personnel of the Company		
Short-term employee benefits [2]	381	693
Other long term employee benefits [6]	-	2,388
Share-based payment transactions	1,039	976
Others	408	363

[1] Encore Software Services, Inc. and Sonata Software LLC, US merged with Sonata Software North America Inc. wholly-owned subsidiary of Sonata Software Limited on August 26, 2024 and May 06, 2024 respectively.

[2] The above employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

[3] The movement between previous year and current year balance is due to change in foreign exchange rates.

[4] GAPbuster Limited and GAPbuster Europe Limited merged with Sonata Europe Limited wholly-owned subsidiary of Sonata Software Limited on July 16, 2024

[5] Capitalised as part of intangible asset under development

[6] There has been a reversal in long term incentive payable to KMP amounting to ₹ 2,816 Lakhs, based on actual outcome of underlying performance linked parameters for FY 2025-26.

Loans to related parties comprise loans to the following:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
1) Sonata Information Technology Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	-	2,100
2) Encore IT Services Solutions Private Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	-	53
3) Sonata Software North America Inc.		
Outstanding balance as on date	9,481	-
Maximum amount outstanding during the year	9,481	-

Terms and conditions of transactions with related parties:

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

B. Inter corporate loans availed from subsidiaries are unsecured, for meeting working capital requirements. These are repayable on demand, and the interest rate ranges between 8.3% - 9.9%. The loan has been partially repaid during the year even though the repayment has not been demanded.

C. Inter corporate loans represent unsecured amounts lent to the subsidiaries for meeting working capital requirements and recoverable on demand. Interest rate ranges between 8.3% - 9.9%.

D. Inter-corporate loans (USD 10 Million) represent amounts lent to wholly owned subsidiary i.,e Sonata Software North America Inc. (SSNA) during the year, to meet their working capital requirements. The loan is repayable at the end of 5 years. The loans carry an interest rate of 6-month SOFR plus 2.5% per annum. Interest is payable annually. The loan is outstanding as at the balance sheet date. The movement between transaction and closing balance represents the impact of unrealized foreign currency translation gain.

E. Corporate guarantee has been issued to suppliers of Sonata Information Technology Limited (SITL) to comply with the contractual obligations in the ordinary course of business. Commission on corporate guarantee is charged at 1%. The guarantee would come into effect only upon failure of SITL to pay the amounts outstanding to such suppliers.

Also, Corporate guarantee has been issued to banks, towards the borrowings undertaken by SSNA. Commission on corporate guarantee is charged at 1%. The guarantee would come into effect only upon failure of SSNA to pay the borrowings undertaken from banks. The movement between transaction and closing balance represents the impact of unrealized foreign currency translation gain.

F. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.

41. Leases

The Company leases mainly comprises of land and buildings. The Company leases buildings for operational purposes.

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

₹ in Lakhs

Particulars	Category of ROU asset		
	Land	Buildings	Total
Balance as at April 1, 2025	**164**	**2,088**	**2,252**
Additions	-	13,249	13,249
Deletions	-	(1,913)	(1,913)
Depreciation	(13)	(1,881)	(1,894)
Balance as at March 31, 2026	**151**	**11,543**	**11,694**

Particulars	Category of ROU asset		
	Land	Buildings	Total
Balance as at April 1, 2024	**177**	**2,900**	**3,077**
Additions	-	-	-
Deletions	-	(30)	(30)
Depreciation	(13)	(782)	(795)
Balance as at March 31, 2025	**164**	**2,088**	**2,252**

The following is the movement in lease liabilities:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**2,488**	**3,396**
Non-cash changes		
Additions	12,798	-
Finance cost on lease liabilities	1,126	284
Deletions	(2,252)	(31)
Cash changes		
Payment of lease liabilities	(2,575)	(1,161)
Balance at the end of the year	**11,585**	**2,488**

Incremental borrowing rate used for discounting of lease liabilities is 9.30% to 10.00% based on the lease term.

The Lease term ranges between 5 to 9 years.

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	2,247	517
Non-current lease liabilities	9,338	1,971
Total	**11,585**	**2,488**

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, 2026	As at March 31, 2025
Not later than one year	2,368	536
Later than one year and not later than 5 years	9,483	1,446
Later than 5 years	4,059	1,653
Total	**15,910**	**3,635**

The following is the movement in the net investment in sublease in ROU asset:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	136	141
Addition	-	-
Deletion	(135)	-
Interest income accrued during the year	2	13
Lease receipts	(3)	(18)
Balance at the end of the year	**-**	**136**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	-	19
Later than one year and not later than 5 years	-	87
Later than 5 years	-	99
Total	**-**	**205**

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on sub lease ROU asset	2	13
Total	**2**	**13**
Finance cost on lease liabilities (Refer note 21)	1,126	284
Depreciation on ROU assets (Refer note 22)	1,894	795
Rent expense pertaining to short- term leases (Refer note 23)	287	755
Total	**3,307**	**1,834**

42. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly statements filed by the Company during the year with such banks are in agreement with the books of account of the Company.

The quarterly statements filed by the Company in the previous year with such banks are in agreement with the books of account of the Company except:
- for the quarter ended December, 2024, variance of Rs. 515 Lakhs in book debts.

The variances are primarily attributable to re-classifications. The Company has subsequently filed rectified statements.

43. The table below provides financial ratios :

Ratio/Measure	Methodology	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance
Current ratio[1]	Current assets over current liabilities	2.08	4.69	(55.61%)
Debt-equity ratio[2]	Debt over total shareholders equity	0.25	0.03	699.98%
Debt service coverage ratio[3]	EBITDA over current debt	3.33	26.45	(87.42%)
Return on equity ratio	PAT over total average equity	0.34	0.28	21.59%
Trade receivable turnover ratio	Revenue from operations over trade receivables	1.75	1.49	17.34%
Trade payable turnover ratio[4]	Adjusted expenses over trade payables	3.04	14.04	(78.33%)
Net capital turnover ratio[5]	Revenue from operations over working capital	2.08	1.16	78.99%
Net profit ratio	Net profit after tax over revenue	0.20	0.22	(5.43%)
Return on capital employed[6]	EBIT over capital employed	0.36	0.28	28.84%
Return on investment	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average investments.	1.87	2.26	(17.26%)

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.

Explanation for variances exceeding 25%:
[1] Current ratio has decreased on account of increase in trade payables and borrowings during the financial year 2025-26
[2] Debt-equity ratio has increased on account of increase in lease liabilities and borrowings during the financial year 2025-26
[3] Debt service coverage ratio decreased on account of increase in lease liabilities and borrowings during the year ended March 31, 2026
[4] Trade payable turnover ratio has decreased on account of increase in average trade payables for the year ended March 31, 2026
[5] Net capital turnover ratio has increased on account of increase in revenue from operations for the year ended March 31, 2026
[6] Return on capital employed has increased on account of increase in EBIT for the year ended March 31, 2026

44. 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.

(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 willful defaulters issued by the Reserve Bank of India.

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

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

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

45. Subsequent events

Upon expiration of the term of Mr. Samir Dhir (DIN: 03021413), on May 08, 2026, he will cease to vacate office as Managing Director & Chief Executive Officer of the Company. Mr. Samir Dhir has also resigned from the position of Executive Director with effect from close of business hours on May 08, 2026 (the date of expiry of his term as Managing Director & Chief Executive Officer). The Board took note of the above at its meeting held on April 25, 2026 and appointed Mr. Rajsekhar Datta Roy as the Chief Executive Officer of the Company with effect from May 09, 2026.

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 : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Software Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sonata Software Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") in which are included the financial results from 12 branches, which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary referred to in paragraph (a) of "Other Matters" section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2026, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of Goodwill	
See Note 4 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The consolidated financial statements of the Group as at 31 March 2026 carries goodwill amounting to ₹ 126,808 lakhs which represents a significant portion of the Group's total assets. This goodwill has been recorded on the acquisition of companies/businesses by various entities in the Group.	Our audit procedures with respect to this matter included the following: • Assessed the appropriateness of Group's accounting policies with respect to impairment of goodwill, including compliance of the policies, in terms of applicable accounting standards.

Impairment assessment of Goodwill	
Goodwill is tested for impairment annually, at a minimum, at the cash generating unit level, whereby the carrying amount of the cash generating unit (including goodwill) is compared with the recoverable amount of the cash generating unit. The recoverable amount is determined on the basis of the value in use which is the present value of future cash flows of the cash generating units. The present value is determined using discounted cash flow model. The preparation of this estimate is highly dependent on management estimates, which among others include, the expected business and cash flow forecasts for future years, subjective judgments such as growth rate, terminal growth rate, discount rate and other complex calculations which requires special audit consideration. Due to the quantum of the carrying value of goodwill to total assets of the Group and significant estimates and judgements involved in assessing the value in use of cash generating unit, this is considered as a key audit matter.	• Evaluated the design, implementation and operating effectiveness of the processes and internal controls relating to impairment testing of goodwill. • Evaluated the design, implementation and operating effectiveness of the processes and internal controls relating to impairment testing of goodwill. • Evaluated the Group's determination of Cash Generating Unit (CGU), including the rationale for change in CGU in the current year, the carrying value of CGU, the appropriateness of methodology followed by management for the impairment assessment and its compliance with the applicable accounting standards. • Evaluated the basis of key assumptions included in the cash flow forecasts used in computing recoverable amount of CGU, such as growth rate, profitability, discount rate etc. with reference to our understanding of their business, historical trends and independent market data (wherever applicable). • Engaged our valuation specialists to evaluate the appropriateness of methodology used to compute the recoverable amount of the CGU and the key underlying assumptions. • Assessed the sensitivity of the outcome of the impairment assessment to a reasonably possible change in key assumptions used in the computation. • Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements in compliance with the requirements of Ind AS 36: "Impairment of Assets".

Revenue recognition - Fixed Price contracts where revenue is recognized using percentage of completion method	
See Note 2.3 (k) and 25 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group enters into fixed-price arrangements, where, revenue is recognized using percentage of completion computed as per input method based on the Group's estimate of contract efforts. We identified revenue recognition of fixed-price contracts where the percentage of completion is used, as a key audit matter, since: • there is an inherent risk around the accuracy and existence of revenues recognised considering the complex nature of these contracts and significant inputs used in their accounting; • application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates in mainly identifying performance obligations, related transaction price and estimating the future efforts-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; and • quantum of fixed-price contracts and the inherent risks associated with revenues for the Group.	Our audit procedures included the following: • Assessed the appropriateness and compliance of the Group's revenue recognition, accounting policies in relation to the applicable accounting standards. • Tested the design, implementation and operating effectiveness of the processes and controls over recognition of revenue over a period of time, the status of completion for projects and management's estimates of total efforts on contracts. • On statistically selected samples of contracts, evaluated the identification of performance obligation and the determination of transaction price. • Recalculated the percentage of completion based on the latest budgeted final efforts and the total actual efforts incurred till date on the statistically selected samples of contracts. • Performed tests on whether actual efforts have been recorded in the correct period, by testing the underlying evidences for statistically selected samples. • Performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts, to assess the reliability of the management's estimation process. • Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements in compliance with the requirements of Ind AS 115: "Revenue from Contracts with Customers".

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the Holding Company's Director report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Holding Company's annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining sections of the annual report (other than Director's report), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter(s)

a. We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs.1,085 lakhs as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 621 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 44 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

b. The financial information of 14 subsidiaries (including 1 branch), reflecting total assets (before consolidation adjustments) of Rs. 13,600 Lakhs as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 13,078 Lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 44 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including 1 branch), and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries (including 1 branch), is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

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, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor 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 consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2026, 01 April 2026 and 06 April 2026 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) 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 Holding Company and its subsidiary companies incorporated in India 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 and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 29 to the consolidated financial statements in respect of such items as it relates to the Group.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditor of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 43 (iv) to the consolidated 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 Holding Company or any of such subsidiary companies 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 Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditor of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 43 (v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies 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 by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act nothing has come to our or other auditor's notice that has caused us or the other auditor 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 Holding Company and its subsidiary companies incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company and its subsidiary companies incorporated in India during the year is in accordance with Section 123 of the Act.

As stated in Note 41 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meetings. 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, and that performed by the auditor of the subsidiary company, which is company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies, which are incorporated in India, have used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) and same has operated throughout the year for all relevant transactions recorded in respective softwares, except:

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

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

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

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

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

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 and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. 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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155RWYKEE7166

Place: Mumbai
Date: 07 May 2026

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

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155RWYKEE7166

Place: Mumbai
Date: 07 May 2026

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

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Sonata Software Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company in which are included internal financial controls with reference to financial information of 12 branches, and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of one subsidiary, as was audited by other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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 respective 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 respective 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 the respective 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 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 1 subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN : 26065155RWYKEE7166

Place: Mumbai
Date: 07 May 2026

Consolidated Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,142	4,003
Right-of-use assets	38	14,347	6,358
Goodwill	4	126,808	113,970
Other intangible assets	5.1	35,048	36,017
Intangible asset under development	5.1	7,439	2,601
Financial assets	6		
Investments	6.1	314	348
Other financial assets	6.2	1,255	2,532
Deferred tax assets (net)	18B	11,539	8,553
Income tax assets (net)	18A	23,772	24,976
Other non-current assets	7	5,191	2,987
Total non-current assets		**231,855**	**202,345**
Current assets			
Inventories	8	3,681	4,724
Financial assets	9		
Investments	9.1	18,308	24,509
Trade receivables	9.2	184,936	174,093
Cash and cash equivalents	9.3	37,253	30,998
Bank balances other than above	9.4	4,883	13,945
Other financial assets	9.5	2,992	4,385
Other current assets	10	25,221	20,516
Total current assets		**277,274**	**273,170**
Total assets		**509,129**	**475,515**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	2,768	2,776
Other equity	12	187,695	167,818
Total Equity		**190,463**	**170,594**
LIABILITIES			
Non-current liabilities			
Financial liabilities	13		
Borrowings	13.1	28,404	22,790
Lease liabilities	13.2	12,384	5,569
Other financial liabilities	13.3	3,643	3,184
Deferred tax liabilities (net)	18B	10,939	9,927
Total non-current liabilities		**55,370**	**41,470**
Current liabilities			
Financial liabilities	14		
Borrowings	14.1	28,416	21,366
Lease liabilities	14.2	3,099	1,877
Trade payables	14.3		
Total outstanding dues of micro enterprises and small enterprises		350	139
Total outstanding dues of creditors other than micro enterprises and small enterprises		179,687	155,562
Other financial liabilities	14.4	18,468	53,329
Other current liabilities	15	11,515	13,632
Provisions	16	8,549	4,278
Current tax liabilities (net)	17	13,212	13,268
Total current liabilities		**263,296**	**263,451**
Total equity and liabilities		**509,129**	**475,515**

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

As per our report of even date attached

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

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Consolidated Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
REVENUE			
Revenue from operations	19.1	1,070,124	1,015,725
Other income	19.2	10,454	7,115
Total Income		**1,080,578**	**1,022,840**
EXPENSES			
Purchase of stock-in-trade (traded goods)	20.1	782,020	703,106
Changes in inventories of stock-in-trade	20.2	1,043	5,076
Employee benefits expense	21	153,000	159,767
Finance costs	22	5,142	6,525
Depreciation and amortization expense	23	10,426	12,149
Other expenses	24	59,936	78,851
Total expenses		**1,011,567**	**965,474**
Profit before exceptional item and tax		**69,011**	**57,366**
Exceptional item			
Impairment loss recognised on receivables	30	9,695	-
Reversal of contingent consideration payable	29	(6,538)	-
Impact of new labour codes	32	3,128	-
Profit before tax		**62,726**	**57,366**
Tax expense			
Current tax	18A	18,816	17,285
Deferred tax	18B	(2,529)	(2,386)
Net tax expense		**16,287**	**14,899**
Profit for the year		**46,439**	**42,467**
Other comprehensive income			
1 **Items that will not be reclassified to profit/(loss)**			
(a) Remeasurement of the defined benefit plans		(502)	(56)
(b) Equity instruments through other comprehensive income		(72)	(938)
(c) Income tax relating to Items that will not be reclassified to profit/(loss)	18A & 18B	126	14
		(448)	**(980)**
2 **Items that will be reclassified to profit/(loss)**			
(a) Exchange differences on translating the financial statements of foreign operations		3,819	488
(b) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge		(4,613)	(389)
(c) Income tax relating to items that will be reclassified to profit/(loss)	18A & 18B	200	(25)
		(594)	**74**
Total other comprehensive income for the year, net of tax		**(1,042)**	**(906)**
Total comprehensive income for the year		**45,397**	**41,561**
Profit for the year attributable to:			
Owners of the Company		46,439	42,467
Non - controlling interest		**-**	**-**
		46,439	**42,467**
Other Comprehensive Income for the year attributable to:			
Owners of the Company		(1,042)	(906)
Non - controlling interest		-	-
		(1,042)	**(906)**
Total comprehensive income for the year attributable to:			
Owners of the Company		45,397	41,561
Non-controlling interest		-	-
		45,397	**41,561**
Earnings per share (on ₹ 1 per share)			
Basic (₹)	40	16.74	15.30
Diluted (₹)	40	16.74	15.28

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

As per our report of even date attached

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

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Consolidated Statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	62,726	57,366
Adjustments for :		
Depreciation and amortization expense	10,426	12,149
Changes in fair value of contingent consideration	(6,538)	-
Finance costs	5,142	6,525
Impairment (gain)/loss recognised on trade receivable and contract assets	14,774	1,478
Provisions/ liabilities no longer required written back	(34)	(125)
Interest Income	(825)	(3,320)
Net (gain) / loss on sale of property, plant and equipment / scrapped	218	39
Net (gain) on investments carried at fair value through profit and loss	(2,178)	(1,961)
Gain on termination of lease	(223)	(3)
Expenses on employee stock based compensation	183	285
Net unrealized foreign exchange (gain) / loss	(12,317)	(1,252)
Net unrealized (gain)/loss on derivatives carried at fair value through profit or loss	631	(694)
Operating profit before working capital changes	**71,985**	**70,487**
Changes in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	(20,149)	(15,077)
Decrease/(Increase) in inventories	1,043	5,076
Decrease/(increase) in other financial assets non-current	(83)	719
Decrease/(increase) in other financial assets current	721	1,285
Decrease/(increase) in other non-current assets	(43)	(233)
Decrease/(increase) in other current assets	(4,707)	1,573
(Decrease)/increase in trade payables	24,892	14,427
(Decrease)/increase in other financial liabilities non-current	(2,171)	1,463
(Decrease)/increase in other financial liabilities	(2,743)	11,024
(Decrease)/increase in other current liabilities	715	(10,093)
(Decrease)/increase in provisions	937	137
Net cash flow from operations	**70,397**	**80,788**
Income taxes paid (net of refunds)	**(16,595)**	**(16,355)**
Net cash flow from operating activities (A)	**53,802**	**64,433**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including intangible assets, capital-work-in progress and Intangible asset under development	(11,359)	(6,852)
Proceeds from disposal of property, plant and equipment	89	75
Purchase of current investments	(801,001)	(705,019)
Proceeds from sale of current investments	809,584	701,292
Proceeds from sale of bonds	54	4,338
Payment in relation to business acquisition	(29,929)	(59,194)
Investment in bank deposits	(8,870)	(15,827)
Proceeds from maturity of Bank deposits	18,883	35,502
Interest received	817	2,125
Net cash used in investing activities (B)	**(21,732)**	**(43,560)**

Consolidated Statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2026	For the year ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(3,900)	(2,927)
Proceeds from short-term borrowings	-	1,694
Repayment of short-term borrowings	-	(6,575)
Repayment of term loan	(23,439)	(19,766)
Proceeds from term loan	29,912	-
Payment of dividend	(22,321)	(12,258)
Proceeds from issue of shares on exercise of ESOP	91	346
Payments for shares purchased by Employee Welfare Trust	(3,200)	-
Interest paid	(3,789)	(3,844)
Net cash used in financing activities (C)	**(26,646)**	**(43,330)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,424**	**(22,457)**
Opening cash and cash equivalents	30,998	53,602
Exchange difference on translation of foreign currency cash and cash equivalents	831	(147)
Closing cash and cash equivalents	**37,253**	**30,998**
Cash and cash equivalents at the end of the year comprises: (refer note 9.3)		
Cash on hand	1	1
Balances with banks		
In Current accounts	25,338	18,939
In EEFC accounts	11,881	2,540
In deposit accounts	33	9,518
	37,253	**30,998**
Refer note 38 for non-cash changes in lease liabilities arising from financing activities		
Disclosure on cash and non-cash changes in borrowings arising from financing activities (refer note 13.1 & note 14.1)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	44,156	67,431
Proceeds from borrowings	29,912	1,694
Repayment of borrowings	(23,439)	(26,341)
Foreign currency translation loss (non-cash)	6,191	1,372
Closing balance	**56,820**	**44,156**

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

Consolidated statement of changes in equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 11)	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**2,776**	**2,775**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	**2,776**	**2,775**
Changes in equity share capital during the year		
Add: Shares issued on exercise of employee stock options	1	1
Less: Shares purchased from secondary market towards the grant of new stock options by Employee Welfare Trust	(9)	-
Balance at the end of the year	**2,768**	**2,776**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus						Other comprehensive income			Equity attributable to owners of the Company
	Securities premium	Capital Redemption Reserve	General reserve	Share options outstanding account	Retained Earnings	Remeasurement of the defined benefit plans	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve	
Balance as at April 1, 2024	**3,126**	**2,787**	**8,742**	**1,327**	**122,218**	**(1,924)**	**-**	**(90)**	**1,668**	**137,854**
Profit for the period	-	-	-	-	42,467	-	-	-	-	42,467
Other comprehensive income, (net of tax)	-	-	-	-	-	(42)	(938)	(291)	365	(906)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**42,467**	**(42)**	**(938)**	**(291)**	**365**	**41,561**
Transactions with owners of the company										
Contributions and distributions										
Premium received on issue of shares on exercise of options	345	-	-	-	-	-	-	-	-	345
Employee stock compensation expense	-	-	-	285	-	-	-	-	-	285
Payment of cash dividends	-	-	-	-	(12,227)	-	-	-	-	(12,227)
Balance as at March 31, 2025	**3,471**	**2,787**	**8,742**	**1,612**	**152,458**	**(1,966)**	**(938)**	**(381)**	**2,033**	**167,818**
Balance as at April 1, 2025	**3,471**	**2,787**	**8,742**	**1,612**	**152,458**	**(1,966)**	**(938)**	**(381)**	**2,033**	**167,818**
Profit for the period	-	-	-	-	46,439	-	-	-	-	46,439
Other comprehensive income, (net of tax)	-	-	-	-	-	(376)	(72)	(3,452)	2,858	(1,042)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**46,439**	**(376)**	**(72)**	**(3,452)**	**2,858**	**45,397**
Transactions with owners of the company										
Contributions and distributions										
Premium received on issue of shares on exercise of options	90	-	-	-	-	-	-	-	-	90
Premium on shares purchased from secondary market amount exceeding face value	(3,191)	-	-	-	-	-	-	-	-	(3,191)
Employee stock compensation expense	-	-	-	183	-	-	-	-	-	183
Payment of cash dividends	-	-	-	-	(22,602)	-	-	-	-	(22,602)
Balance as at March 31, 2026	**370**	**2,787**	**8,742**	**1,795**	**176,295**	**(2,342)**	**(1,010)**	**(3,833)**	**4,891**	**187,695**

Refer note 12 for the nature and purpose of reserves

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

As per our report of even date attached

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

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director & Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

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

1. COMPANY OVERVIEW

The Consolidated financial statements of Sonata Software Limited ("Sonata" or the "Company") includes Sonata Software Limited together with the subsidiaries Sonata Information Technology Limited, Sonata Software North America Inc. (SSNA), Sonata Software GmbH, Sonata Europe Limited (SEL), Sonata Software (Qatar) LLC, Sonata Australia Pty Ltd, Sonata Software LLC (merged with SSNA with effect from May 06, 2024), Sonata Software Solutions Limited, Sonata Software (Shanghai) Co., Ltd, GAPbuster Europe Limited (merged with SEL with effect from July 16, 2024), GAPbuster Inc., GAPbuster Limited (merged with SEL with effect from July 16, 2024), Sonata Software Worldwide Malaysia SDN. BHD., GAPbuster Worldwide Pty Limited, Sonata Software Japan KK, Encore Software Services, Inc. (merged with SSNA with effect from August 26, 2024), Encore IT Services Solutions Private Limited, Sonata Software Intercontinental Limited, Sonata Software Canada Limited, Sonata Latin America S. DE R.L. DE C.V., Sonata Software Solutions North America, Inc (formerly known as Quant Systems Inc.), Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited), Quant Systems CRC Inc Sociedad de Responsabilidad Limitada, Woodshed LLC, Sonata Software Malaysia SDN. BHD and Sonata Software Solutions, Egypt.

Sonata together with the subsidiaries are referred as the 'Group'.

The Group is primarily engaged in the business of providing Information Technology services and solutions and sale of licenses to its customers in the United States of America, Europe, Middle East, Australia and India. The Company is a public limited company incorporated and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. The Company is listed on The National Stock Exchange of India Limited and BSE Limited. The consolidated financial statements have been approved for issue by the Company's Board of Directors on May 07, 2026.

Material subsidiaries of the Company are:

a) Sonata Information Technology Limited, in India through which it delivers both software development and consulting services and re-selling of product licenses of leading international software companies such as Microsoft, AWS, Google, IBM, Oracle, Snowflake etc.;

b) Sonata Software North America Inc., in USA through which it delivers software development and consulting services primarily to its clients in North America;

The material accounting policies applied in the preparation of the consolidated 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 consolidated 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 consolidated financial statements and other provisions of the Act.

b. Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on a going concern and on an accrual basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based

on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purpose in these Consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets. Also, net defined benefit assets/liabilities is valued at fair value of plan assets less present value of defined benefit obligation.

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

Current/ Non-current classification

The Group classifies an asset as current asset when:

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

All other assets are classified as non-current.

A liability is classified as current when –

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

All other liabilities are classified as non-current.

c. Functional and presentation currency

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

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

d. Use of judgement, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of consolidated financial statement and the reported amounts of income and expenditure during the reported year.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

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

i) Liability towards acquisition of businesses

The contingent consideration representing liability towards acquisition of business is reassessed at every reporting date. Any increase or decrease in the probability of achievement of financial targets would impact the measurement of the liability. Appropriate changes in estimates are made when the Management becomes aware of the circumstances surrounding such estimates, [Refer note 2.3 (r) for the accounting policy w.r.t re-measurement of contingent consideration payable at each reporting date]

ii) Impairment testing

Goodwill is tested for impairment annually and investments are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. (Refer note 5)

iii) Depreciation and amortisation

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

iv) Revenue recognition

Refer note 2.3(k)(b)

v) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The policy for the same has been explained under Note-2.3(q)(a).

vi) Contingent liabilities

Refer note-2.3(t).

vii) Income taxes and deferred taxes

The primary tax jurisdiction for the Group 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 2.3 (h).

viii) Leases

The Group uses significant judgement in assessing the lease term whether it is reasonably certain to exercise 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 2.3(i).

ix) Other estimates

The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest (Refer note 33).

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

2.2. BASIS OF CONSOLIDATION

Sonata consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its group companies. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Companies in the Group are consolidated on a line-by-line basis and intra group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

The list of subsidiary companies included in the consolidated financial statements are as under:

Name of the Entity	Country of Incorporation	% of ownership held as on March 31, 2026	% of ownership held as on March 31, 2025
Sonata Information Technology Limited	India	100%	100%
Sonata Software Solutions Limited	India	100%	100%
Sonata Software North America Inc.	USA	100%	100%
Sonata Europe Limited	UK	100%	100%
Sonata Software GmbH	Germany	100%	100%
Sonata Software (Qatar) LLC (Refer note i below)	Qatar	49%	49%
Sonata Australia Pty Ltd	Australia	100%	100%
GAPbuster Inc	USA	100%	100%
GAPbuster Worldwide Pty Limited	Australia	100%	100%
Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	China	100%	100%
Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	Japan	100%	100%
Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia Sdn Bh)	Malaysia	100%	100%
Encore IT Services Solutions Private Limited	India	100%	100%

Name of the Entity	Country of Incorporation	% of ownership held as on March 31, 2026	% of ownership held as on March 31, 2025
Sonata Software Intercontinental Limited	Ireland	100%	100%
Sonata Software Canada Limited	Canada	100%	100%
Sonata Latin America S. DE R.L. DE C.V.	Mexico	100%	100%
Sonata Software Solutions North America Inc. (formerly known as Quant Systems Inc.)	USA	100%	100%
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	India	100%	100%
Quant Systems CRC Inc Sociedad de Responsabilidad Limitada	Costa Rica	100%	100%
Woodshed LLC	USA	100%	100%
Sonata Software Malaysia SDN. BHD.	Malaysia	100%	100%
Sonata Software Solutions	Egypt	100%	100%

Notes:

i) In terms of the Memorandum and Articles of Association, the composition of the Board of Directors of Sonata Software (Qatar) LLC is controlled by the Company and hence it has been considered as subsidiary for the purpose of consolidation.

2.3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Cost of an item of property, plant and equipment (including capital work in progress) comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to 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 Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred.

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

b. Capital work-in-progress

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

c. Depreciation/ Amortisation

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

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

Straight-line method

Asset class	Useful life
Buildings	60 years
Plant and equipment (Hardware)	3 years
Plant and equipment (Others)	15 years
Lease hold land	lease term
Lease hold improvements	lease term

Written down method

Asset class	Depreciation rate
Furniture and fixtures	25.88%
Office equipment	45.07%
Vehicles	31.23%

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

d. Intangible assets

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

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

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

Category	Useful Life
Computer software	3 years
Internally generated software	6 years
Intellectual property	7 - 9 years
Non compete	3 years
Vendor relationship	7 years
Customer relationship	5 - 11 years
Customer contracts	1 - 3 years
Brand value	10 years

e. Financial Instruments

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

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

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

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

Non-derivative financial assets

i. Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

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

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

Cash and cash equivalents

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

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

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

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

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

Dividends are recognised as income in the consolidated 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 consolidated statement of profit or loss.

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

The Group participates in a vendor financing arrangement ("arrangement") under which its vendors may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating vendor in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing vendors to sell their receivables due from the Group to a bank before their due date. The Group has derecognised the original liabilities to which the arrangement applies because there is a legal release obtained under the arrangement and the original liability was substantially modified on entering into the arrangement (i.e. extended payment terms beyond the normal terms agreed with other suppliers that are not participating). The Group therefore discloses the amounts factored by vendors as borrowings because the nature and function of the financial liability is substantially different as compared to other trade payables.

Financial liabilities at fair value through profit and loss (FVTPL)

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

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

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

The Group 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 Group 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 consolidated statement of profit and loss.

Amounts accumulated in hedging reserve are reclassified to the consolidated statement of profit and loss in the periods when the hedged item affects the consolidated 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 consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derecognition of financial instruments

Financial assets

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

Financial liabilities

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

Fair value measurement

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

i) **Level 1** - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) **Level 2** - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) **Level 3** - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Group carries such instruments at cost less impairment, if applicable.

f. Employee benefits

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

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

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

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

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

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

Short-term employee benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

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 Group as the Group does not have an unconditional right to defer this settlement for at least 12 months from reporting date.

g. Provisions

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

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

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract,

which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

h. Income taxes

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

a) 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 Group off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

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

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

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 subsidiaries in the Consolidated financial statements of the Group, if it is determined that such accumulated undistributed profits will not be distributed in the foreseeable future.

i. Leases

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

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

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

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

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹ 5 Lakhs in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

j. Cash flow statement

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

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

k. Revenue recognition

The Group derives revenue primarily from information technology services and solutions. The Group recognizes revenue when it transfers control over a product or a service to a customer.

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

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

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

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

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

There is a significant financing component for certain contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

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

a) Time and materials and unit of work based contracts

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

b) Fixed-price contracts

The Group applies the percentage of completion method in accounting for fixed price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

For fixed price development contracts and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates. Estimates for the transaction price and total costs are continuously monitored over a term of contract and are recorded in net profit or losses in the period when the estimate changes or when the estimates are revised.

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

Contract assets and contract liabilities

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

Contract liabilities (unearned revenues) represents billing in excess of revenue recognized.

c) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. Group recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Group recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

d) Maintenance contracts

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

l. Government grants

Grants from the Government are recognised by the Group when there is reasonable assurance that the conditions attached to the grant will be complied and it will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. The grant pertaining to an asset is recognized as income over the expected useful life of the asset.

m. 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.

n. Foreign currency transactions and translations

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

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

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

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.

o. Finance income and expense

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

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

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

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

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

p. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Employees of the Company receive remuneration in the form of cash settled share based transaction, for rendering services over a defined vesting period.

q. Impairment

a) Financial assets

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

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

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

For financial guarantee contracts held by the Group that is not an integral element of another financial instrument, the Group accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Group recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Group has presented the compensation right asset in the consolidated statement of profit and loss in the same line item as allowance for expected credit loss.

Credit impaired financial assets:

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

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

• significant financial difficulty of the debtor;

• it is probable that the debtor will enter bankruptcy or other financial reorganisation;

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

b) Non-financial assets

The Group assesses at each reporting date (or more frequently if events or circumstances indicate that it is necessary), whether there is any objective evidence that a non financial asset including goodwill or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in consolidated statement of profit or loss and reflected in an allowance account. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate (that reflects current market assessments of the time value of money and the risks specific to the asset). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the consolidated statement of profit and loss.

r. Business combination, goodwill and intangible assets

Business combinations other than through common control transactions are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at it acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in Consolidated statement of profit and loss.

The Group 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 Group 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.

Transaction costs incurred in connection with a business combination are expensed as incurred.

i) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets. Goodwill is tested for impairment annually for current events or circumstances indicate that unused fair value of goodwill is than its carrying amount (based on facts such as business plan, future cash flow and economic condition).

ii) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. At each reporting period intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

s. Earnings per share

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

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

t. 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 Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

u. Contingent assets

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

v. Inventories

Inventories are measured at the lower of cost and the net realizable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, and other issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

w. Events after the reporting period

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

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

2.4. Recent pronouncements

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

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

Ind AS 1, 'Presentation of Financial Statements' - Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The group is monitoring the impact of this amendment in relation to compliance with financial covenants under its borrowing agreements. Refer note 13.1 for further details.

3. Property, plant and equipment

₹ in Lakhs

Tangible assets							
Particulars	Buildings	Office equipment	Leasehold improvements	Furniture and fixtures	Plant and equipment	Vehicles	Total
Cost							
As at April 1, 2024	**115**	**867**	**1,264**	**822**	**6,921**	**317**	**10,306**
Additions	-	65	228	20	1,236	-	1,549
Disposal / write off	-	(223)	(136)	(32)	(1,004)	(76)	(1,471)
Translation adjustments	-	5	6	(54)	(1)	-	(44)
As at March 31, 2025	**115**	**714**	**1,362**	**756**	**7,152**	**241**	**10,340**
As at April 1, 2025	**115**	**714**	**1,362**	**756**	**7,152**	**241**	**10,340**
Additions	-	271	3,002	626	1,203	-	5,102
Disposal / write off	-	(76)	(322)	(100)	(596)	-	(1,094)
Translation adjustments	-	23	85	40	190	-	338
As at March 31, 2026	**115**	**932**	**4,127**	**1,322**	**7,949**	**241**	**14,686**
Accumulated Depreciation							
As at April 1, 2024	**18**	**608**	**670**	**492**	**3,178**	**164**	**5,130**
Depreciation for the year	2	123	313	59	1,981	51	2,529
Depreciation on disposal / write off	-	(209)	(129)	(33)	(916)	(70)	(1,357)
Translation adjustments	-	8	8	(38)	57	-	35
As at March 31, 2025	**20**	**530**	**862**	**480**	**4,300**	**145**	**6,337**
As at April 1, 2025	**20**	**530**	**862**	**480**	**4,300**	**145**	**6,337**
Depreciation for the year	2	146	658	182	1,778	49	2,815
Depreciation on disposal / write off	-	(42)	(123)	(55)	(567)	-	(787)
Translation adjustments	-	16	36	18	109	-	179
As at March 31, 2026	**22**	**650**	**1,433**	**625**	**5,620**	**194**	**8,544**
Net carrying value							
As at March 31, 2026	**93**	**282**	**2,694**	**697**	**2,329**	**47**	**6,142**
As at March 31, 2025	**95**	**184**	**500**	**276**	**2,852**	**96**	**4,003**

Refer note 13.1 for details of charge created on the property, plant and equipment.

4. Goodwill

₹ in Lakhs

As at April 1, 2024	**113,699**
Effect of foreign currency exchange differences	2,691
As at March 31, 2025	**116,390**
As at April 1, 2025	**116,390**
Effect of foreign currency exchange differences	12,837
As at March 31, 2026	**129,227**
Accumulated Impairment	
As at April 1, 2024	**2,353**
Effect of foreign currency exchange differences	67
As at March 31, 2025	**2,420**
As at April 1, 2025	**2,420**
Effect of foreign currency exchange differences	(1)
As at March 31, 2026	**2,419**
Net carrying value	
As at March 31, 2026	**126,808**
As at March 31, 2025	**113,970**

Allocation of goodwill to cash generating units:

The Group has been implementing the integration of various acquisitions to generate synergies and progressive changes to the business model, basis which the Chief Operating Decision Maker (CODM) has been reviewing key performance measures at the operating segment level. Accordingly, during the year, the Group re-assessed the identification of its cash generating units (CGUs) as International business and India business at which goodwill is monitored for impairment purposes.

Goodwill has been allocated to the redefined CGUs based on how the CODM and the Board would monitor the business. For comparative purposes, the goodwill balance as at April 01, 2025 has been reallocated to these CGUs.

₹ in Lakhs

	As at March 31, 2026	As at March 31, 2025
Cash generating units		
International business	126,526	113,688
India business	282	282
Total	**126,808**	**113,970**

Impairment

The recoverable amount of each CGU has been calculated based on its value-in-use, estimated as the net present value of future free cash flow forecasts for 5 years and then on perpetuity using assumptions which include annual revenue growth rate, earnings before interest and taxes, capital outflow and working capital requirement.

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows.

The future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate*	15%	18% - 26.5%
Terminal growth rate#	2%	2%
EBITDA margins (Average of next 5 years)^	16%	9% - 37%

* The discount rate is arrived after consulting the valuation experts.

\# The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

^ The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and financial budgets approved by management.

As at March 31, 2026 and March 31, 2025 the estimated recoverable amount of each CGU exceeded carrying amount and accordingly, no impairment loss is recognised. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

5.1.1. Other intangible assets

₹ in Lakhs

	Intangible assets									Intangible asset under development
Particulars	Computer software - purchased	Internally generated software	Intellectual property	Non compete	Vendor relationship	Customer relationship	Customer contracts	Brand value	Total	
Cost										
As at April 1, 2024	**53**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,580**	**-**
Additions	-	-	-	-	-	-	-	-	-	2,601
Disposal / write off	-	-	-	-	-	-	-	-	-	-
Translation adjustments	(1)	-	-	-	-	-	-	-	(1)	-
As at March 31, 2025	**52**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,579**	**2,601**
As at April 1, 2025	**52**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,579**	**2,601**
Additions	-	-	-	-	-	-	-	-	-	4,311
Disposal / write off	-	-	-	-	-	-	-	-	-	-
Translation adjustments	7	-	-	-	-	-	-	-	7	527
As at March 31, 2026	**59**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,586**	**7,439**
Accumulated amortization										
As at April 1, 2024	**22**	**1,480**	**464**	**316**	**1,081**	**5,213**	**5,396**	**127**	**14,099**	**-**
Amortization for the year	24	307	68	-	-	4,225	2,714	45	7,383	-
Amortization on disposal / write off	-	-	-	-	-	-	-	-	-	-
Translation adjustments	(2)	(3)	(1)	-	-	(894)	(20)	-	(920)	-
As at March 31, 2025	**44**	**1,784**	**531**	**316**	**1,081**	**8,544**	**8,090**	**172**	**20,562**	**-**
As at April 1, 2025	**44**	**1,784**	**531**	**316**	**1,081**	**8,544**	**8,090**	**172**	**20,562**	**-**
Amortization for the year	7	318	69	-	-	4,248	-	48	4,690	-
Amortization on disposal / write off	-	-	-	-	-	-	-	-	-	-
Translation adjustments	7	(26)	(18)	-	-	(3,637)	-	(40)	(3,714)	-
As at March 31, 2026	**58**	**2,076**	**582**	**316**	**1,081**	**9,155**	**8,090**	**180**	**21,538**	**-**
Net carrying value										
As at March 31, 2026	**1**	**-**	**73**	**-**	**-**	**34,767**	**-**	**207**	**35,048**	**7,439**
As at March 31, 2025	**8**	**292**	**124**	**-**	**-**	**35,378**	**-**	**215**	**36,017**	**2,601**
Estimated useful life (in years)	3	6	7-9	3	7	5-11	1-3	10		
Estimated remaining useful life (in years)	0-2	-	0-2	-	-	0-8	-	4		

5.1.2. Intangible Asset under Development Ageing Schedule

₹ in Lakhs

Particulars	Amount in Intangible Asset under Development for a period of			
	Less than 1 year	1-2 years	More than 2 years	Total
As at March 31, 2026				
Projects in progress*	4,838	2,601	-	7,439
Project temporarily suspended	-	-	-	-
Total	**4,838**	**2,601**	**-**	**7,439**
As at March 31, 2025				
Projects in progress*	2,601	-	-	2,601
Project temporarily suspended	-	-	-	-
Total	**2,601**	**-**	**-**	**2,601**

*There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Non-current

6. Non-current financial assets

6.1. Investments

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Equity instruments carried at fair value (Traded, quoted) through profit & loss		
138 shares of US $ 0.01 per share of Principal Financial Group Inc.	12	10
(As at March 31, 2025: 138 shares of US $ 0.01 per share)		
Equity instruments carried at fair value (Non-traded, unquoted) through OCI		
2,252,686 shares of US $ 0.225 per share of SemiCab, Inc.	0	0
(As at March 31, 2025: 2,252,686 shares of US $ 0.225 per share)		
2,993,941 shares of US $ 0.00001 per share of Treeni Sustainability Solutions Inc.	81	88
(As at March 31, 2025: 2,993,941 shares of US $ 0.00001 per share)		
735,759 shares of US $ 0.00001 per share of Investment in Cloudlex Inc.	221	250
(As at March 31, 2025: 735,759 shares of US $ 0.00001 per share)		
Total	**314**	**348**
Aggregate amount of quoted investments	12	10
Aggregate market value of quoted investment	12	10
Aggregate amount of unquoted investments	302	338
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit & loss	12	10
Investments carried at fair value through other comprehensive income	302	338
Investments carried at amortised cost	-	-

6.2. Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Balance held as margin money or security against borrowings*	108	1,240
Security deposits	1,147	935
Other assets	-	357
Total	**1,255**	**2,532**

* Held as margin money by bank against bank guarantees

7. Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless otherwise stated		
Capital advances	4,741	2,579
Other deposits	22	34
Prepaid expenses	85	58
Balances with government authorities		
Receivable from customs authority	219	219
Receivable from GST authority	123	80
Other recoverables	1	17
Total	**5,191**	**2,987**

Current

8. Inventories

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-trade - Hardware/Software products and licenses	3,681	4,724
Total	**3,681**	**4,724**

9. Current financial assets

9.1. Investments

Investments carried at fair value through profit and loss:

Investments in mutual funds (Traded, quoted)

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units	₹ in Lakhs	No. of units	₹ in Lakhs
SBI Liquid Fund - Direct Plan - Growth	41,977	1,808	-	-
Nippon India Liquid Fund - Direct Plan Growth Plan	23,803	1,605	-	-
Invesco India Liquid Fund - Direct Plan - Growth	39,742	1,503	-	-
LIC Liquid Fund - Direct Plan - Growth	30,043	1,503	51,059	2,404
DSP Liquid Fund - Direct Plan - Growth	36,262	1,412	-	-
Mirae Liquid Fund - ABCL - Growth	45,963	1,314	-	-

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units	₹ in Lakhs	No. of units	₹ in Lakhs
Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	249,587	1,111	-	-
Baroda Liquid Fund	34,803	1,105	-	-
Edelweiss Liquid Fund - ABCL - Growth	29,123	1,015	-	-
HSBC Liquid Fund	36,809	1,010	-	-
Sundaram Liquid Fund Direct Plan	41,403	1,008	-	-
Mirae Liquid Fund - Direct Plan - Growth	34,651	1,008	-	-
UTI Liquid Fund Direct Growth	22,326	1,008	-	-
HSBC Money Market Fund - Regular Plan - Growth	401,142	111	401,142	104
Tata Money Market Fund - Direct Plan - Growth	1,401	71	33,782	1,593
Edelweiss Liquid Fund - Regular Plan - Growth	-	-	4,894	161
Kotak Liquid Fund - Direct Plan - Growth	-	-	13,455	705
HSBC US treasury money market funds	-	1,716	9,754,658	8,337
DSP Liquid Fund - Regular Plan - Growth	-	-	21,848	801
Bandhan Money Manager Fund - Direct Plan - Growth	-	-	7,834,688	3,353
Bandhan Fixed Maturity Plan	-	-	9,999,500	1,010
Sundaram Liquid Fund - Regular Plan - Growth	-	-	89,661	2,032
HDFC Money Market Fund - Direct Plan - Growth	-	-	28,646	1,638
Axis Money Market Fund - Direct Plan - Growth	-	-	107,828	1,527
Investment in Edward Jones		-		790
Investments carried at amortised cost:				
Investments in PSU Bonds (Non-traded, quoted)				
Investments in PSU Bonds		-		54
Total		**18,308**		**24,509**
Aggregate amount of quoted investments		18,308		24,509
Aggregate market value of quoted investment		18,308		24,509
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment in value of investments		-		-
Investments carried at amortised cost		-		54
Investments carried at fair value through profit or loss		18,308		24,455

9.2. Trade receivables (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Billed		
Considered good	152,271	152,228
Less : Allowance for credit losses	(2,993)	(2,695)
	149,278	**149,533**
Trade receivables - credit impaired	6,921	1,959
Less : Allowance for credit losses	(6,921)	(1,959)
	-	**-**

Particulars	As at March 31, 2026	As at March 31, 2025
Unbilled		
Considered good	35,658	24,560
Unbilled - credit impaired	5,167	-
Less : Allowance for credit losses	(5,167)	-
	-	-
Total	**184,936**	**174,093**

During the year, certain trade receivables amounting to approximately ₹ 2,400 Lakhs were sold and assigned to financial institutions on a non-recourse basis. As substantially all risks and rewards have been transferred, such receivables have been derecognised and are not included under trade receivables.

Information about the Group's exposure to credit, liquidity, market risks, and impairment losses for trade receivables are included in note 30.

Trade receivable ageing schedule:

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026								
Undisputed trade receivables - considered good	35,658	112,784	35,256	2,496	1,362	367	6	187,929
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	5,167	-	3,948	1,373	493	882	225	12,088
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	(5,167)	(1,212)	(4,791)	(1,776)	(655)	(1,249)	(231)	(15,081)
Total	**35,658**	**111,572**	**34,413**	**2,093**	**1,200**	**-**	**-**	**184,936**
As at March 31, 2025								
Undisputed trade receivables - considered good	24,560	121,624	28,461	919	1,185	39	-	176,788
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	242	1,458	91	168	1,959
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(1,279)	(723)	(379)	(1,975)	(130)	(168)	(4,654)
Total	**24,560**	**120,345**	**27,738**	**782**	**668**	**-**	**-**	**174,093**

9.3. Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	25,338	18,939
In EEFC accounts	11,881	2,540
In deposit accounts with original maturity of less than three months*	33	9,518
Cash on hand	1	1
Total	**37,253**	**30,998**

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

9.4. Bank balances other than above

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months but less than 12 months	2,367	12,764
In earmarked accounts		
Balance held as margin money*	1,856	802
Unpaid dividend account**	660	379
Total	**4,883**	**13,945**

* Held as margin money by bank against bank guarantees
**Is solely used for the purposes of making payment towards dividend

9.5. Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits	471	1,233
Compensation right asset (refer note 30)	2,496	2,306
Fair value of forward contracts (refer note 29 & 30)	23	695
Other assets	2	151
Total	**2,992**	**4,385**

Information about the Group's exposure to credit, liquidity, market risks, and impairment losses for trade receivables are included in note 30.

10. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Contract assets (net of allowances for expected credit loss) (refer note 25)	10,203	10,790
Other deposits	223	174
Advances to employees	234	326
Prepaid expenses	2,204	1,423
Balances with government authorities		
VAT credit receivable	252	201
GST credit receivable	5,742	3,516
Other recoverables*	6,363	4,086
Total	**25,221**	**20,516**

*For the amounts receivable from related parties refer note 35.

11. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
500,000,000 equity shares of face value ₹ 1/- each	**5,000**	**5,000**
(As at March 31, 2025 : 500,000,000 equity shares of face value ₹ 1/- each)		
Issued		
280,424,816 equity shares of face value ₹ 1/- each fully paid-up	**2,804**	**2,804**
(As at March 31, 2025 : 280,424,816 equity shares of face value ₹ 1/- each)		
Subscribed and paid-up		
276,794,469 equity shares of face value ₹ 1/- each fully paid-up*	2,768	2,776
(As at March 31, 2025 - 277,656,476 equity shares of face value ₹ 1/- each)*		
Out of issued capital, 3,630,347 (As at March 31, 2025 - 2,768,340) shares are held by Sonata Software Limited Employee Welfare Trust		
3,630,347 equity shares (treasury) held by trust of face value ₹ 1/- each	36	28
(As at March 31, 2025 - 2,768,340 equity shares (treasury) of face value ₹ 1/- each)		

*The outstanding equity shares as at March 31, 2026 and March 31, 2025 are presented net of treasury shares.

Refer notes (i) to (vii) below

Notes :

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares with voting rights				
Number of shares outstanding at the beginning of the year	**277,656,476**	**2,776**	**277,552,476**	**2,775**
Add: Shares issued on exercise of employee stock options (refer note 33)	73,333	1	104,000	1
Less: Shares purchased from secondary market towards the grant of new stock options	(935,340)	(9)	-	-
Number of shares outstanding at the end of the year	**276,794,469**	**2,768**	**277,656,476**	**2,776**
Add: Number of treasury shares held by Sonata Software Limited Employee Welfare Trust	3,630,347	36	2,768,340	28
Number of issued shares outstanding at the end of the year	**280,424,816**	**2,804**	**280,424,816**	**2,804**

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

The Company has equity shares having a par value of ₹ 1/-. Each shareholder, other than shares issued to Sonata Employee Stock Option Trust, is entitled to 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 each shareholder holding more than 5% shares (Equity shares of ₹ 1/- each fully paid)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Hemendra M Kothari	25,599,986	9.13%	25,599,986	9.13%
Akshay Rajan Raheja	22,000,000	7.85%	22,000,000	7.85%
Viren Rajan Raheja	22,000,000	7.85%	22,000,000	7.85%
Suman R Raheja	18,400,000	6.56%	18,400,000	6.56%
HDFC Multi cap fund (formerly known as HDFC Small cap fund)	27,364,821	9.76%	23,078,174	8.23%

iv) Details of shares held by each promoter (Equity shares of ₹ 1/- each fully paid)

Particulars	No. of shares at the commencement of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
For the year ended March 31, 2026					
Akshay Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Viren Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Suman R Raheja	18,400,000	-	18,400,000	6.56%	-
Rajan B Raheja	12,766,532	-	12,766,532	4.55%	-
Globus Stores Private Limited	3,829,330	-	3,829,330	1.37%	-

Particulars	No. of shares at the commencement of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
For the year ended March 31, 2025					
Akshay Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Viren Rajan Raheja	22,000,000	-	22,000,000	7.85%	-
Suman R Raheja	18,400,000	-	18,400,000	6.56%	-
Rajan B Raheja	12,766,532	-	12,766,532	4.55%	-
Globus Stores Private Limited	3,829,330	-	3,829,330	1.37%	-

v) Equity shares movement during the 5 years preceding March 31, 2026

Equity shares issued as bonus: The Company allotted 138,769,238 equity shares as fully paid up bonus shares in the ratio of 1:1, by capitalisation of securities premium amounting to 1,387 lakhs in the quarter ended December 31, 2023 (Financial year 2023-24), pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

Equity shares issued as bonus: The Company allotted 34,642,061 equity shares as fully paid up bonus shares in the ratio of 1:3, by capitalisation of securities premium amounting to 346 lakhs in the quarter ended September 30, 2022 (Financial year 2022-23), pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

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, except as disclosed above. There are no shares reserved for issue under contracts or commitment for sale of shares or disinvestment.

vi) Treasury shares

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
3,630,347 equity shares (treasury) held by trust of face value ₹ 1/- each (As at March 31, 2025 : 2,768,340 equity shares (treasury) of face value ₹ 1/- each)	36	28

vii) Distribution of dividend

During the year ended March 31, 2026, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for the year ended March 31, 2025 and ₹ 10,375 lakhs towards interim dividend for the year ended March 31, 2026. (During the year ended March 31, 2025, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for the year March 31, 2024.)

12. Other equity

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium		
Opening balance	3,471	3,126
Premium received on issue of shares on exercise of options	90	345
Less: Premium on shares purchased from secondary market amount exceeding face value	(3,191)	-
Closing balance	**370**	**3,471**
Amount received on issue of shares in excess of the par value has been classified as security premium, net of utilisation.		
Capital redemption reserve	**2,787**	**2,787**
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013.		
There is no movement in capital redemption reserve during the year		
General reserve	**8,742**	**8,742**
This represents appropriation of profit by the Company.		
There is no movement in general reserve during the year		
Share options outstanding account		
Opening balance	1,612	1,327
Add: Employee share based payments (refer note 33)	183	285
Closing balance	**1,795**	**1,612**
This represents value of equity-settled share based payment transaction with employees.		
Retained earnings		
Opening balance	152,458	122,218
Profit for the year	46,439	42,467
Less :		
Dividend paid	(22,602)	(12,227)
Closing balance	**176,295**	**152,458**
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	(1,966)	(1,924)
For the year (net of tax)	(376)	(42)
Closing balance	**(2,342)**	**(1,966)**

Particulars	As at March 31, 2026	As at March 31, 2025
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	(938)	-
For the year	(72)	(938)
Closing balance	**(1,010)**	**(938)**
The remeasurement of (loss) / gain on equity instruments, that will not be reclassified to statement of profit and loss recognised in other comprehensive income.		
Effective portion of cash flow hedges		
Opening balance	(381)	(90)
For the year (net of tax)	(3,452)	(291)
Closing balance	**(3,833)**	**(381)**
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.		
Foreign currency translation reserve		
Opening balance	2,033	1,668
For the year (net of tax)	2,858	365
Closing balance	**4,891**	**2,033**
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.		
Total	**187,695**	**167,818**

13. Non-current financial liabilities

13.1. Borrowings

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Term loan		
From banks - Secured*	28,404	22,790
Total	**28,404**	**22,790**

*The Group has availed US dollar loan from Kotak Mahindra Bank Ltd which is secured by charge over property, plant and equipment, intangible and current assets of the Sonata Software North America Inc., USA, and Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.), USA. The loan is repayable in 16 quarterly instalments commencing from June, 2024 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Group has repaid an amount of ₹ 21,866 Lakhs (USD 25 Million) during the year and the balance as at the year end is ₹ 25,296 Lakhs (USD 26.67 Million). (March 31, 2025: The Group has repaid an amount of ₹ 19,766 Lakhs (USD 23.33 Million) and the balance as at the year end is ₹ 44,156 Lakhs (USD 51.67 Million)).

Additionally, during the current year, the Group has availed US dollar loan of ₹ 29,912 Lakhs (USD 35 Million) from DBS Bank Ltd which is secured by charge over assets of Sonata Software North America Inc., USA, and Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.), USA. The loan is repayable in 12 quarterly instalments commencing from June, 2025 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Group has repaid an amount of ₹ 1,573 Lakhs (USD 1.75 Million) during the year and the balance as at the year end is ₹ 31,524 Lakhs (USD 33.25 Million).

The group has recorded an unrealised foreign currency translation loss of ₹6,191 Lakhs (March 31, 2025: ₹ 1,372 Lakhs) as at the balance sheet date towards these loans.

As at March 31, 2026, the Group did not comply with the covenant relating to DSCR falling below the minimum threshold of 1.00; Total Debt/EBITDA threshold of less than 1.75 and more than 20% variation between estimates and actuals in terms of revenues and EBITDA, which constitutes a breach under the terms of the loan agreement and the lenders obtained the right to demand immediate repayment of the outstanding loan amount as of the reporting date. However, the Group has obtained a waiver from the lender post balance sheet date, wherein the lender has confirmed that they will not demand immediate repayment of the loan. Accordingly, the classification of the loans has been kept as per the original contractual terms. The Group has also requested its lenders to amend the terms of the agreement by revising the frequency of testing financial covenants from a semi-annual basis to an annual basis.

13.2. Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note 38)	12,384	5,569
Total	**12,384**	**5,569**

13.3. Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Payable for deferred consideration	2,844	-
Other liabilities	799	3,184
Total	**3,643**	**3,184**

14. Current financial liabilities

14.1. Borrowings

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Secured loans from banks		
Current portion of term loan (refer note 13.1 for terms of repayment)	28,416	21,366
Total	**28,416**	**21,366**

14.2. Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note 38)	3,099	1,877
Total	**3,099**	**1,877**

14.3. Trade payables

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 28)	350	139
Total outstanding dues of creditors other than micro enterprises and small enterprises	179,687	155,562
Total	**180,037**	**155,701**

Trade payables ageing schedule:

₹ in Lakhs

Particulars	Accrued expenses	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) As at March 31, 2026							
Total outstanding dues of micro enterprises and small enterprises (refer note 28)	-	274	76	-	-	-	350
Total outstanding dues of creditors other than micro enterprises and small enterprises	46,420	103,912	28,342	-	532	481	179,687
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**46,420**	**104,186**	**28,418**	**-**	**532**	**481**	**180,037**
(ii) As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises (refer note 28)	-	79	59	1	-	-	139
Total outstanding dues of creditors other than micro enterprises and small enterprises	39,594	83,702	30,958	827	232	249	155,562
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**39,594**	**83,781**	**31,017**	**828**	**232**	**249**	**155,701**

14.4. Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	-	31
Unpaid dividends	660	379
Payable on acquisition of property, plant and equipment	253	38
Fair value of forward contracts (refer note 29 & 30)	6,723	923
Employee benefits payable*	7,488	9,541
Payable for deferred consideration	2,481	40,933
Other liabilities*	863	1,484
Total	**18,468**	**53,329**

* It includes compensation payable to key management personnel of the Group. For the amounts payable to key management personnel refer note 35.
Information about the Group's exposure to credit, liquidity, market risks, and impairment losses for trade receivables are included in note 30

15. Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities (Refer note 25)	1,986	4,581
Other payables		
Statutory remittances	8,608	6,756
Advances from customers	172	1,342
Other liabilities	749	953
Total	**11,515**	**13,632**

16. Provisions

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for compensated absences (refer note 32)	4,772	3,835
Provision for Gratuity (refer note 32)	3,777	443
Total	**8,549**	**4,278**

17. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax ₹ 46,485 (for March 31, 2025 ₹ 24,557))	13,212	13,268
Total	**13,212**	**13,268**

18A. Income taxes

The income tax asset is ₹ 23,772 Lakhs (net of provision for tax of ₹ 74,863 Lakhs) as at March 31, 2026 and ₹ 24,976 Lakhs (net of provision for tax of ₹ 93,461 Lakhs) as at March 31, 2025.

A. Current taxes

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense in the consolidated statement of profit and loss consists of:		
Current Tax:		
In respect of current year	18,816	17,285
Deferred Tax:		
In respect of current year	(2,529)	(2,386)
Total Income tax expense recognised in the consolidated statement of profit and loss	**16,287**	**14,899**
(b) Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
On remeasurement of defined benefit plan	(126)	(14)
On exchange differences on translating the financial statements of foreign operations	961	123
On net movement on effective portion of cash flow hedges	(1,161)	(98)
Total	**(326)**	**11**

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

Profit before tax	62,726	57,366
Enacted income tax rate in India	25.17%	25.17%
Computed expected income tax expense	15,787	14,438
Effect of:		
Income exempt from tax	-	(1,230)
Expenses that are not deductible in determining taxable profit	86	526
Items that are deductible in determining taxable profit	(1,468)	(38)
Provision for tax relating to prior years	2,881	386
Different tax rates of subsidiaries operating in other jurisdictions	(1,076)	761
Others	77	56
Income tax expense recognised in the consolidated statement of profit and loss	**16,287**	**14,899**

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

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 01 2019, subject to certain conditions. The Company including its subsidiary incorporated in India had opted to pay tax at the reduced rate except for the unit in Bengaluru registered as Special Economic Zone (SEZ) unit.

The Group is having a unit in Bengaluru registered as Special Economic Zone (SEZ) unit, which is entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961. Under the Income-tax Act, 1961, the unit in Bengaluru is liable to pay Minimum Alternate Tax (MAT) in the tax holiday period as the unit is eligible for 50% deduction under normal computation in the financial year 2025-26 (The unit was eligible for 50% deduction under normal computation in the financial year 2024-25). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognized as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

The Group is also subject to tax on income attributable to its permanent establishments in foreign jurisdictions due to operation of its foreign branches.

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

18B. Deferred taxes

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

₹ in Lakhs

Particulars	As at April 1, 2025	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Others*	As at March 31, 2026
Property, plant and equipment	726	(82)	-	-	644
Allowances for credit losses	119	2,611	-	-	2,730
Net gain or loss on fair value of mutual funds	(18)	8	-	-	(10)
Defined benefit plans (Items that will not be reclassified to profit/ (loss))	505	-	126	-	631
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(864)	-	(961)	-	(1,825)
Fair value changes on derivatives designated as cash flow hedges (Items that will be reclassified to profit/(loss))	562	-	1,161	-	1,723
MAT credit entitlement	3,548	77	-	-	3,625
Finance lease receivable and rent deposit and advances	-	(80)	-	-	(80)
Right-of-use assets	(1,129)	(3,867)	-	-	(4,996)
Lease liabilities	1,360	3,993	-	-	5,353
Expenses allowable on tax deduction	2,926	(410)	-	-	2,516
Employee benefit expenses	1,150	(192)	-	-	958
Others, including employee and other payables	(332)	602	-	-	270
Gross deferred tax assets (A)	**8,553**	**2,660**	**326**	**-**	**11,539**
Deferred tax liabilities					
Intangible assets	(9,284)	98	-	(883)	(10,069)

Particulars	As at April 1, 2025	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Others*	As at March 31, 2026
Accrued income	(431)	(1,071)	-	-	(1,502)
Others, including employee and other payables	(212)	842	-	2	632
Gross deferred tax liabilities (B)	**(9,927)**	**(131)**	**-**	**(881)**	**(10,939)**
Net deferred tax liabilities	**(1,374)**	**2,529**	**326**	**(881)**	**600**

* Others include foreign exchange gains/losses

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

₹ in Lakhs

Particulars	As at April 1, 2024	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Others*	As at March 31, 2025
Property, plant and equipment	559	167	-	-	726
Allowances for credit losses	273	(154)	-	-	119
Net gain or loss on fair value of mutual funds	(4)	(14)	-	-	(18)
Defined benefit plans (Items that will not be reclassified to profit/ (loss))	491	-	14	-	505
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(741)	-	(123)	-	(864)
Fair value changes on derivatives designated as cash flow hedges (Items that will be reclassified to profit/(loss))	464	-	98	-	562
MAT credit entitlement	3,416	132	-	-	3,548
Right-of-use assets	(981)	(148)	-	-	(1,129)
Lease liabilities	1,001	359	-	-	1,360
Expenses allowable on tax deduction	2,779	147	-	-	2,926
Employee benefit expenses	1,176	(26)	-	-	1,150
Others, including employee and other payables	411	(743)	-	-	(332)
Gross deferred tax assets (A)	**8,844**	**(280)**	**(11)**	**-**	**8,553**
Deferred tax liabilities					
Intangible assets	(11,084)	1,996	-	(196)	(9,284)
Accrued income	-	(431)	-	-	(431)
Others, including employee and other payables	(1,313)	1,101	-	-	(212)
Gross deferred tax liabilities (B)	**(12,397)**	**2,666**	**-**	**(196)**	**(9,927)**
Net deferred tax liabilities	**(3,553)**	**2,386**	**(11)**	**(196)**	**(1,374)**

* Others include foreign exchange gains/losses

Deferred income tax liabilities have not been recognized on temporary differences associated with investments in subsidiaries as the Company is able to control the timing of reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets has not been recognised on accumulated long term capital loss of ₹ Nil and ₹ 962 Lakhs as at March 31, 2026 and March 31, 2025 respectively as there is no reasonable certainty that taxable profit will be available against which the unused tax losses can be utilised in foreseeable future.

Unused tax losses (long term capital loss) which expire in various years are given below: ₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	Unabsorbed loss	Deferred tax	Unabsorbed loss	Deferred tax
AY 2025-26	-	-	962	138
Total	**-**	**-**	**962**	**138**

19.1. Revenue from operations (Refer note 25)

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of hardware/software product and licenses	814,881	739,805
Software services	252,684	273,638
Other operating revenues	2,559	2,282
Total	**1,070,124**	**1,015,725**

19.2. Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income*	825	3,320
Net gain on investments carried at fair value through profit or loss	2,178	1,961
Net gain/(loss) on derivatives carried at fair value through profit or loss	(5,323)	(939)
Net gain/(loss) on foreign currency transactions and translations	12,491	2,170
Other non-operating income		
Liabilities/provisions no longer required written back	34	125
Gain on termination of lease	223	3
Miscellaneous income	26	475
Total	**10,454**	**7,115**
*Interest income comprise:		
Interest on bank balances and bank deposits	594	2,164
Interest on financial assets carried at amortised cost	42	10
Interest on financial assets carried at fair value through profit or loss	-	5
Interest on Income-tax refund	189	1,141

20.1. Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade (traded goods)	782,020	703,106
Total	**782,020**	**703,106**

20.2. Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Stock		
Stock-in-trade - Hardware/Software product and licenses	4,724	9,800
	4,724	**9,800**
Closing Stock		
Stock-in-trade - Hardware/Software product and licenses	3,681	4,724
	3,681	**4,724**
(Increase) / decrease in inventories	**1,043**	**5,076**

21. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	140,239	148,006
Contribution to provident and other funds (refer note 32)	8,846	7,946
Share based payments to employees (refer note 33)	183	285
Staff welfare expenses	3,732	3,530
Total	**153,000**	**159,767**

22. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	3,667	3,689
Lease liabilities (refer note 38)	1,477	768
Unwinding contingent consideration (Refer Note 29)	109	1,675
Others	(213)	257
Other borrowing costs	102	136
Total	**5,142**	**6,525**

23. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 3)	2,815	2,529
Depreciation of right of use assets (refer note 38)	2,921	2,237
Amortisation of Intangible assets (refer note 5.1)	4,690	7,383
Total	**10,426**	**12,149**

24. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insourcing professional fees	30,782	51,540
Power and fuel	473	450
Rent (Refer note 38)	1,045	1,499
Repairs and maintenance - Buildings	6	17
Repairs and maintenance - Machinery	217	227
Insurance	1,884	1,836
Rates and taxes	1,282	1,482
Communication cost	824	901
Facility maintenance	995	950
Travelling and conveyance expenses	3,141	2,898
Sales commission	1,497	2,013
Professional and technical fees	5,513	6,409
Legal fees	290	471
Recruitment	890	1,159
Expenditure on corporate social responsibility (refer note 39)	803	778
Software license fees	2,708	2,436
Payments to auditors (Refer note below)	243	318
Net loss on property, plant and equipment sold / scrapped	218	39
Impairment loss/(gain) recognised on trade receivable and contract assets	5,079	1,478
Miscellaneous expenses	2,046	1,950
Total	**59,936**	**78,851**
Note: Payment to auditors comprises (net of input tax credit):		
Remuneration to statutory auditors for audit of Company and its subsidiaries	213	271
Remuneration to statutory auditors for other services	17	31
Reimbursement of expenses	13	16
	243	**318**

25. Revenue from operations

Disaggregate revenue information

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	India	Other than India	Total	India	Other than India	Total
Revenue from software services (over the time)						
Time and material	7,550	86,223	93,773	7,488	76,730	84,218
Fixed price	3,620	157,850	161,470	3,063	188,639	191,702
Revenue from software product and licenses at a point in time	642,849	172,032	814,881	599,277	140,528	739,805
Total	**654,019**	**416,105**	**1,070,124**	**609,828**	**405,897**	**1,015,725**

Contract Price

Reconciliation of revenue recognised in the consolidated statement of profit and loss with the contracted price:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract	1,072,149	1,017,390
Less: Discounts	(2,025)	(1,665)
Revenue recognised in consolidated statement of profit and loss	**1,070,124**	**1,015,725**

Trade receivables and Contract balances

Trade receivable and unbilled revenues are presented net of impairment in the consolidated balance sheet.

Contract assets

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	**10,790**	**10,692**
Amount accrued during the year	34,265	57,057
Deduction on account of revenues billed during the year	(32,005)	(57,274)
Allowance for expected credit losses on contract assets	(3,383)	-
Translation exchange differences	536	315
Balance as at end of the year	**10,203**	**10,790**

Contract liabilities

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance as at beginning of the year	**4,581**	**16,664**
Additional amounts billed but not recognized as revenue	17,892	24,533
Deduction on account of revenues recognised during the year	(21,050)	(36,779)
Translation exchange differences	563	163
Balance as at end of the year	**1,986**	**4,581**

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 Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2026, other than those meeting the exclusion criteria mentioned above, is ₹ 113,573 lakhs (As at March 31, 2025 is ₹ 77,391 lakhs). The Group expects to recognize the revenue within the next one year is ₹ 37,650 lakhs (As at March 31, 2025 is ₹ 25,743 lakhs). 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

₹ in Lakhs

Particulars		As at March 31, 2026	As at March 31, 2025
a)	**Guarantees**		
	The Company has given corporate guarantees to certain suppliers of Sonata Information Technology Limited (SITL), its wholly owned subsidiary. Maximum guaranteed obligations under the two guarantee agreements shall not exceed ₹ 37,925 Lakhs (USD 40,000,000) and ₹ 500 Lakhs respectively (March 31, 2025: Maximum guaranteed obligations under the two guarantee agreements shall not exceed ₹ 34,185 Lakhs (USD 40,000,000) and ₹ 500 Lakhs respectively)	38,425	34,685
	The Company has given corporate guarantees to banks, towards the borrowings undertaken by Sonata Software North America Inc. (SSNA), its wholly owned subsidiary. Maximum guaranteed obligations under the two guarantee agreements shall not exceed ₹ 40,295 Lakhs (USD 42,500,000) and ₹ 33,184 Lakhs (USD 35,000,000) respectively (March 31, 2025: Nil)	73,479	-
	Claims against the Group not acknowledged as debt		
a)	**Disputed demand of service tax**		
(i)	The demand for payment of service tax for the period from FY 2006-07 to FY 2012-13 on services received and consumed by UK branch of the Company and a Subsidiary Company at USA, treating it as import of service, wrong availment of CENVAT credit and usage of software services provided to subsidiary. The Company had filed appeal before the Commissioner of Appeals and is confident of getting favourable outcome based on legal precedents which support its stand.	1,028	1,028
b)	**Others**	2,450	2,350
c)	**Disputed demands of Income-tax**	36,532	36,636

Details of disputed demands of Income-tax primarily relates to:

(i) Disallowance of claims made under Section 10A of the Income-tax Act, 1961

The Company does its business of software exports through multiple operating units or undertakings registered under the Software Technology Park Scheme of India. In computing taxable profit from the export of software, the Company claims exemptions provided to registered software technology parks, undertakings and units as provided under Section 10A of the Income-tax Act, 1961 ("Act").

For the financial years 2005-06 and 2006-07 ₹ 4,570 Lakhs (As at March 31, 2025 - ₹ 4,570 Lakhs), the Company has received favourable order from Income-tax Appellate Tribunal (ITAT) and the Department has preferred an appeal before the Honourable High Court of Bombay.

For financial year 2010-11 ₹ 2,275 Lakhs (As at March 31, 2025 ₹ 2,275 Lakhs for financials years 2010-11), assessing officer has re-opened the Assessment under Section 148 of the Act and disallowed 10A benefit. The Company has preferred an appeal before Commissioner of Income-tax (Appeals).

(ii) Disallowance of Inter-company service charges

The Company charges its subsidiary Sonata Information Technology Limited (SITL) for certain support services rendered and for the cost of project personnel deputed. These support services and costs for deputation are being disallowed by the Income-tax department while computing taxable profits of SITL. SITL has challenged these disallowances and consequent demands at appellate levels and is confident of a favorable outcome.

Details of demands raised and the forum where these are pending are:

i. ₹ 5,521 Lakhs (As at March 31, 2025 ₹ 5,521 Lakhs) for the financial years 2001-02, 2006-07 to 2010-11. SITL has received favorable orders from the Income-tax Appellate Tribunal ("ITAT"). The Income-tax department has preferred an appeal to the Honorable High Court of Bombay.

ii. ₹ 522 Lakhs (As at March 31, 2025 ₹ 522 Lakhs) for the financial year 2002-03. The Income-tax department's appeal to the Honorable High Court of Bombay was time barred and hence dismissed. The Income-tax department had preferred a Special Leave Petition on the said dismissal to the Honorable Supreme Court of India which had referred the petition back to the Honorable High Court of Bombay to reconsider its decision. The Honorable High Court of Bombay admitted the appeal.

(iii) Disallowance of payments made for purchase of software on which Income-tax was not withheld.

Payment in the nature of Royalty on which Income-tax have not been deducted at source are subject to disallowance as an 'expense' as per Sections 40(a)(i) and 40(a)(ia) while computing taxable profits of SITL. The Income-tax department, holding payments for purchase of software as "Royalty" disallowed the expense while computing taxable profits of SITL.

The Honorable High Court of Karnataka had given an unfavorable decision and held the payments for purchase of software as "Royalty". However, the said demands which are consequential and penal in nature do not arise automatically and there are multiple legal precedents in favor of SITL. Based on the Honorable Supreme Court favorable order with respect to withholding tax demand, SITL is confident of a favorable outcome on these consequential demands.

Details of demands raised and the forum where these are pending are:

i. ₹ 23,644 Lakhs (As at March 31, 2025 ₹ 23,644 Lakhs) of tax demand for the financial year 2001-02, 2002-2003, 2006-07 and 2007-08. SITL had received a favorable order from ITAT. The Income-tax department had preferred an appeal before the Honorable High Court of Bombay.

ii. Nil (As at March 31, 2025 ₹ 104 Lakhs) for the financial year 2020-21. The Income-tax department has made adjustment on transfer pricing grounds. Encore IT Services Solutions Private Limited (ENIN) has received favourable order before the first appellate authority and Income-tax department had preferred an appeal before the Hon'ble Income Tax Appellate Tribunal.

d) In addition, the Group in the ordinary course of business receives various claims from its customers and other business partners.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash flow in respect of the above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities. Based on review of such matters and the information available at this time, the Group does not anticipate that any of these will result in a settlement that will have a material adverse impact on its consolidated financial statements and has adequately provided for when provisions are required and disclosed as contingent liability when applicable in its consolidated financial statements.

27. Commitments

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,246	123

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 and March 31, 2025 has been made in the consolidated financial statements based on information received and available with the Group. The Group 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 Group are as below:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	350	139
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

29. Financial instruments

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

₹ in Lakhs

Particulars	Note No.	Fair value through profit and loss	Fair value through other comprehen-sive income	Amortised cost	Carrying value
Financial assets					
Security deposits	6.2 & 9.5	-	-	1,618	1,618
Trade receivable	9.2	-	-	184,936	184,936
Cash and cash equivalents	9.3	-	-	37,253	37,253
Other balances with banks	6.2 & 9.4	-	-	4,991	4,991
Other financial assets	6.2 & 9.5	-	-	2,498	2,498
Investment in mutual fund	9.1	18,308	-	-	18,308
Investment in equity instruments (quoted)	6.1	12	-	-	12
Investment in equity instruments (unquoted)	6.1	-	302	-	302
Forward contracts	9.5	1	22	-	23
Total		**18,321**	**324**	**231,296**	**249,941**
Financial liabilities					
Borrowings	13.1 & 14.1	-	-	56,820	56,820
Trade payables	14.3	-	-	180,037	180,037
Lease liabilities	13.2 & 14.2	-	-	15,483	15,483

₹ in Lakhs

Particulars	Note No.	Fair value through profit and loss	Fair value through other comprehen-sive income	Amortised cost	Carrying value
Other financial liabilities	13.3 & 14.4	-	-	10,063	10,063
Payable for deferred consideration	13.3 & 14.4	5,325	-	-	5,325
Forward contracts	14.4	1,558	5,165	-	6,723
Total		**6,883**	**5,165**	**262,403**	**274,451**

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

₹ in Lakhs

Particulars	Note No.	Fair value through profit and loss	Fair value through other comprehen-sive income	Amortised cost	Carrying value
Financial assets					
Security deposits	6.2 & 9.5	-	-	2,168	2,168
Trade receivable	9.2	-	-	174,093	174,093
Cash and cash equivalents	9.3	-	-	30,998	30,998
Other balances with banks	6.2 & 9.4	-	-	15,185	15,185
Investment in PSU bonds	9.1	-	-	54	54
Other financial assets	6.2 & 9.5	-	-	2,814	2,814
Investment in mutual fund	9.1	24,455	-	-	24,455
Investment in equity instruments (quoted)	6.1	10	-	-	10
Investment in equity instruments (unquoted)	6.1	-	338	-	338
Forward contracts	9.5	397	298	-	695
Total		**24,862**	**636**	**225,312**	**250,810**
Financial liabilities					
Borrowings	13.1 & 14.1	-	-	44,156	44,156
Trade payables	14.3	-	-	155,701	155,701
Lease liabilities	13.2 & 14.2	-	-	7,446	7,446
Other financial liabilities	13.3 & 14.4	-	-	14,657	14,657
Payable for deferred consideration	14.4	40,933	-	-	40,933
Forward contracts	14.4	96	827	-	923
Total		**41,029**	**827**	**221,960**	**263,816**

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

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

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

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 have been estimated using a discounted cash flow model. The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates whose range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted equity investments.

3. The Group enters into derivative financial instruments with Banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of banks, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc.
   As at March 31, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value hierarchy

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

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

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

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

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

₹ in Lakhs

Particulars	Fair value		Fair value hierarchy
	As at March 31, 2026	As at March 31, 2025	
Investment in equity instruments - Principal Share Group (quoted)	12	10	Level 1
Investment in Mutual funds (quoted)	18,308	24,455	Level 1
Investments in PSU bonds (quoted)	-	54	Level 2
Foreign currency forward contracts	23	695	Level 2
Foreign currency forward contracts (liabilities)	6,723	923	Level 2
Investment in equity instruments	302	338	Level 3
Fair value of contingent consideration payable	5,325	40,933	Level 3

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the balance sheet.

Type	Valuation technique	Significant unobservable inputs
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable
Equity instruments (unquoted)	Discounted cash flow method using risk adjusted discount rate	- Discounted cash flows - Risk adjusted discount rate - Terminal growth rate
Contingent consideration	Discounted cash flow: The valuation model considers the present value of expected payment discounted using a risk adjusted discount rate. The expected payment is determined by considering the forecasted EBITDA and Revenues	- Forecasted Revenue/EBITDA - Risk adjusted discount rate

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	338	1,251
Remeasurement recognised in OCI	(72)	(938)
Translation adjustments	36	25
Closing balance	**302**	**338**

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	40,933	98,950
Additions during the year	-	-
Fair value measurement recognised in consolidated statement of profit and loss	109	1,675
Reversal of contingent consideration payable	(6,538)	-
Translation adjustments	750	(498)
Payout during the year	(29,929)	(59,194)
Closing balance	**5,325**	**40,933**

The Group and the selling shareholder of Sonata Software Solutions North America, Inc. (formerly known as Quant Systems Inc.) finalized the payout terms of contingent consideration for the year ended December 31, 2024 vide an amendment to the purchase agreement on May 18, 2025. As per this amendment, an amount of ₹ 6,538 Lakhs (USD 6.89 Mn) was payable to the selling shareholder, at the sole discretion of the Company, which has now been concluded as not payable. Accordingly, the liability has been written back. Owing to the significance of the amount, unusual nature and the fact that the re-measurement of liability was recorded as an exceptional item, the aforesaid reversal has also been disclosed as an exceptional item.

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Group follows established risk management policies, including the use of 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 Group considers the risks of non-performance by the counterparty as non-material.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognised in OCI on derivatives	(4,613)	(389)
Effective portion of gain or (loss) reclassified from OCI into consolidated statement of profit and loss as "revenue"	(1,228)	(435)

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	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year (net of tax)	(381)	(90)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	1,938	46
Net (loss) reclassified into consolidated statement of profit and loss on occurrence of hedged transactions	(6,551)	(435)
Deferred tax asset	1,161	98
Cash flow hedging reserve (net of tax)	(3,833)	(381)

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

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Designated derivative instruments	Amount in Lakhs		₹ in Lakhs	
In USD	1,254	1,102	115,835	95,570
In GBP	152	135	18,758	14,551
In EUR	29	18	3,043	1,661
In AUD	29	18	1,876	1,026
In SGD	-	21	-	1,346

The foreign exchange forward contracts mature anywhere between 0-5 year.

Average rate of coverage:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount (in Lakhs)	Weighted Average Rate (₹)	Amount (in Lakhs)	Weighted Average Rate (₹)
USD	1,254	92.35	1,102	86.76
GBP	152	123.72	135	107.69
EUR	29	105.28	18	94.90
AUD	29	64.26	20	56.97
SGD	-	-	21	63.00

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

Particulars	Less than 6 months		6 - 12 months		More than 1 year	
	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)
As at March 31, 2026						
USD	45,060	91.72	37,529	91.60	33,246	94.11
GBP	17,859	123.93	899	119.87	-	-
EUR	3,043	105.29	-	-	-	-
AUD	1,556	64.30	320	64.10	-	-
SGD	-	-	-	-	-	-
As at March 31, 2025						
USD	61,242	86.13	20,268	86.36	14,060	90.19
GBP	12,282	106.69	1,004	111.58	1,265	115.04
EUR	922	92.15	243	97.41	496	99.14
AUD	824	56.79	202	57.72	-	-
SGD	1,346	63.00	-	-	-	-

30. Financial risk management

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

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group 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 Group'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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including financial assets and 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 Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

Management considers that the demographics of the Group's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. Exposures to customers outstanding at the end of each reporting year are reviewed by the Group to determine incurred and expected credit losses. Historical trend of impairment of trade receivables do not reflect any significant credit losses. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2026 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, 2026	For the year ended March 31, 2025
Revenue from customer having more than 10% of total revenue	-	-

Geographic concentration of credit risk

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	India	Other than India	India	Other than India
Trade receivables	118,101	66,835	94,555	79,538
Allowance for expected credit loss*	1,867	13,214	1,620	3,034
% of credit loss to trade receivables	2%	20%	2%	4%

* 'Other than India' amount for the year ended March 31, 2026 includes ₹ 9,695 Lakhs which has been disclosed as an 'Exceptional item' in the consolidated statement of profit and loss.

Further to the disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on March 07, 2026, regarding the initiation of proceedings by Sonata Software North America Inc. (wholly owned subsidiary) against one of its customers, the Group has created an allowance for expected credit losses towards the entire outstanding receivables from the customer as at March 31, 2026, amounting to ₹ 9,695 Lakhs (USD 10.64 Mn). Considering the materiality of transaction, its non-recurring and litigative nature the Group has disclosed the same as an 'Exceptional item' for the financial year ended March 31, 2026. The Management in consultation with legal advisors, are actively engaged in monitoring the matter, and appropriate actions are being taken to protect the Group's interests.

Expected credit loss

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Movement in allowances for credit losses

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	4,654	5,589
Allowance for expected credit loss*	11,581	(440)
Bad debts written off during the year	(1,468)	(503)
Foreign exchange differences	314	8
Balance at the end of the year	**15,081**	**4,654**

* The Group has adjusted compensation right asset amounting to ₹ 190 Lakhs against the allowance for expected credit loss. The Group has disclosed the remaining amount of ₹ 11,391 Lakhs as allowance for expected credit loss (As at March 31, 2025: The Group has reversed compensation right asset amounting to ₹ 1,918 Lakhs against the allowance for expected credit loss. The Group has disclosed the remaining amount of ₹ 1,478 Lakhs as allowance for expected credit loss) in note 25 (Refer note 2.3(q)(a) for the accounting policy on compensation right assets).

Investments and bank balances

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

ii) Liquidity risk

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

The Group has availed working capital demand loan / overdraft facility from various banks for working capital purposes and secured against Inventories, and receivables of the Group under the loan arrangement which carried interest rate between 6.72% to 12.71% (March 31, 2025: 6.75% to 14.40%). The Group has availed working capital loans of ₹ 13,185 Lakhs (March 31, 2025: ₹ 10,368 Lakhs) and the same have been repaid during the year. The outstanding balance as on March 31, 2026 and March 31, 2025 is Nil.

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

The liquidity position of the Group is given below:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	37,253	30,998
Other balances with banks	4,883	13,945
Investments in mutual funds (quoted)	18,308	24,455
Investments in PSU Bonds (Quoted)	-	54
Trade receivables	184,936	174,093
Other current financial assets	2,969	3,690
Derivative financial instruments - cash flow hedge	23	695
Other current assets	25,221	20,516

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

₹ in Lakhs

Particulars	As at March 31, 2026		
	Less than 1 year	1-2 years	2 years & above
Borrowings	28,416	28,404	-
Trade payables	180,037	-	-
Payable for deferred consideration	2,481	2,844	-
Other financial liabilities	9,264	799	-
Lease liabilities	3,228	3,050	15,343
Derivative financial instruments - cash flow hedge	6,723	-	-

₹ in Lakhs

Particulars	As at March 31, 2025		
	Less than 1 year	1-2 years	2 years & above
Borrowings	21,366	21,366	1,424
Trade payables	155,701	-	-
Payable for acquisition of subsidiary	40,933	-	-
Other financial liabilities	11,473	3,408	-
Lease liabilities	1,973	1,274	7,965
Derivative financial instruments - cash flow hedge	923	-	-

iii) Market risk

Foreign currency exchange rate risk

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars, British pound sterling, Australian Dollars and Euros). A significant portion of the Group'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 Group'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 Group reviews on a periodic basis to formulate the strategy for foreign currency risk management.

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

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

₹ in Lakhs

Particulars	As at March 31, 2026				For the year ended March 31, 2026		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	139,513	23	6,723	Fair value of forward contracts under other financial assets and other financial liabilities.	(4,613)	(1,228)	Revenue from operations
						(5,323)	Other income

₹ in Lakhs

Particulars	As at March 31, 2025				For the year ended 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	114,154	695	923	Fair value of forward contracts under other financial assets and other financial liabilities.	(389)	(435)	Revenue from operations
						(939)	Other income

In respect of the Group'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 ₹ 1,395 lakhs increase and decrease in the Group's net profit as at March 31, 2026;

b) an approximately ₹ 1,142 lakhs increase and decrease in the Group's net profit as at March 31, 2025.

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

Exposure currency:

₹ in Lakhs

As at March 31, 2026	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	60,424	4,349	2,312	3,228
Cash and cash equivalents	11,961	1,121	475	51
Other assets	836	140	4,564	174
Liabilities				
Trade payables	16,671	251	3,047	21,074
Other liabilities	65,495	288	23	414
Net assets/liabilities	**(8,945)**	**5,071**	**4,281**	**(18,035)**

As at March 31, 2025	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	73,819	5,643	3,573	2,828
Cash and cash equivalents	15,004	1,208	368	2,132
Other assets	841	305	2,479	202
Liabilities				
Trade payables	13,589	238	60	988
Other liabilities	92,392	263	49	525
Net assets/liabilities	**(16,317)**	**6,655**	**6,311**	**3,649**

* Others include currencies such as Canadian Dollar, Singapore Dollar, Australian Dollar, Swiss Franc, Danish Krone, United Arab Emirates Dirham, Saudi Riyal, etc.

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

₹ in Lakhs

Currencies	March 31, 2026	March 31, 2025
USD	(89.45)	(163.17)
GBP	50.71	66.55
EUR	42.81	63.11
Other currencies	(180.35)	36.49

Interest rate risk

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

In respect of the Group's borrowings, 50 bps decrease/ increase in the interest rate would have resulted in:

a) an approximately ₹ 284 lakhs increase and decrease in the Group's net profit as at March 31, 2026;

b) an approximately ₹ 221 lakhs increase and decrease in the Group's net profit as at March 31, 2025;

31. Capital management

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

The capital structure of the Group consists of the following:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total equity attributable to the equity share holders of the Company	190,463	170,594
As percentage of total capital	72%	77%
Current borrowings	28,416	21,366
Non-current borrowings	28,404	22,790
Lease liabilities	15,483	7,446
Total borrowings	**72,303**	**51,602**
As a percentage of total capital	28%	23%
Total capital (borrowings and equity)	**262,766**	**222,196**

The Group is financed by equity and debt which is evident from the capital structure table. Further, the Group 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.

32. Employee benefit plans

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational safety, Health and Working Conditions Code, 2020, (Labour Codes') which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.
Based on the requirements of New Labour Codes and relevant Accounting Standards, the Group has estimated the liability for employee benefits, which has resulted in an incremental expense, on account of

recognition of past service costs. The Group has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality, regulatory-driven, non-recurring nature of this impact, the Group has presented the same as an 'Exceptional Item' in the consolidated statement of profit and loss for the year ended March 31, 2026 consisting of gratuity of ₹ 2,329 lakhs and compensated absences of ₹ 799 lakhs. The Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

i) Defined contribution plans

In accordance with the law, all employees of the Company and its Indian subsidiaries are entitled to receive benefits under the provident and pension fund. The Company and its Indian subsidiaries have 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 ₹ 1,792 lakhs (for the year ended March 31, 2025 ₹ 1,798 lakhs) has been charged to the consolidated statement of profit and loss (as part of contribution to provident fund and other funds in Note 21 Employee benefits expense).

b) During the year the Group has recognised the following amounts in the consolidated statement of profit and loss towards Employers contribution to:

₹ in Lakhs

Particulars (Refer note 21)	Year ended March 31, 2026	Year ended March 31, 2025
Employee's State Insurance (as part of contribution to provident fund and other funds)	6	6
Superannuation (as part of contribution to provident fund and other funds)	2,952	2,540
National Pension Scheme (as part of contribution to provident fund and other funds)	288	196
National Insurance Contribution (as part of contribution to provident fund and other funds)	955	655
Other contributions (as part of contribution to provident fund and other funds)	1,636	1,741

ii) Defined benefit plans - Gratuity

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

Gratuity is a defined benefit plan and Group 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 regulatory guidelines.

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

Particulars	March 31, 2026	March 31, 2025
Discount rate(s)	7.14% - 7.23%	6.76% - 6.82%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14
Weighted Average Duration of the Defined Benefit Obligation	3.45 - 4.10 years	4.09 - 5.71 years

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

₹ in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Service cost:		
Current service cost	1,196	994
Past service cost*	2,329	-
Net interest expense	21	16
Components of defined benefit costs recognised in the consolidated statement of profit and loss	**3,546**	**1,010**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	646	(175)
Actuarial (gains) / losses arising from changes in financial assumptions	(322)	226
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	178	5
Components of defined benefit costs recognised in other comprehensive income	**502**	**56**

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

*Past service cost is associated with the incremental expense on gratuity, as per the requirements of New Labour Codes and relevant Accounting Standards.

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

₹ in Lakhs

Particulars	March 31, 2026	March 31, 2025
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(13,451)	(10,200)
Fair value of plan assets	9,674	9,757
Net (liability) / Assets arising from defined benefit obligation	**(3,777)**	**(443)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	10,200	9,194
Defined benefit obligation of acquired company	-	17
Current service cost	1,196	994
Past service cost	2,329	-
Interest cost	695	652
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	(322)	226
Actuarial (gains) / losses arising from experience adjustments	178	5
Benefits paid	(825)	(843)
Others	-	(45)
Closing defined benefit obligation	**13,451**	**10,200**
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	**9,757**	**8,957**
Interest income	674	636
Return on plan assets (excluding amounts included in net interest expense)	(646)	175
Contributions from the employer to the Gratuity Fund	714	832
Benefits paid	(825)	(843)
Closing fair value of plan assets	**9,674**	**9,757**

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

Particulars	March 31, 2026	March 31, 2025
Insurer Managed Funds	100%	100%
Category of funds :		
Secure Fund	0.00%	0.00%
Defensive Fund	53.20%	54.95%
Balanced Fund	46.75%	45.00%
Stable Fund	0.05%	0.05%

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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(721)	804	(568)	635
Future salary growth (1% movement)	847	(773)	692	(629)
Employee turnover rate (1% movement)	59	(69)	32	(38)

The Group expects to contribute ₹ 5,689 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 optimise 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, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	13,451	10,200	9,194	7,966	7,158
Fair value of plan assets	9,674	9,757	8,957	7,238	6,555
Surplus / (deficit)	(3,777)	(443)	(237)	(728)	(603)
Experience adjustments on plan liabilities - (gain)/losses	178	5	126	658	1,442
Return on plan assets - (losses)/gain	(646)	175	500	(325)	137

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	2,305	1,494
1-2 years	1,598	1,246
2-3 years	1,501	1,126
3-4 years	1,694	1,085
4-5 years	1,419	1,197
5 and Above	13,916	10,472

The Group 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 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, 2026	As at March 31, 2025
Discount rate(s)	4.41% - 7.23%	4.81% - 6.82%
Expected rate(s) of salary increase	2% - 5%	2% - 5%
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 (%)	0-2%	0-20%

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability*	4,772	3,835
Present value of compensated absences	**4,772**	**3,835**

*Current liability portion includes the incremental expense on compensated absences, as per the requirements of New Labour Codes and relevant Accounting Standards.

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

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(117)	131	(51)	(18)
Future salary growth (1% movement)	135	(122)	56	(51)

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	730	748
1-2 years	404	151
2-3 years	333	135
3-4 years	237	111
4-5 years	178	85
5 years and above	924	404

33. Share-based payments

a) Employee share option plan of the Group

i) Details of the employee share option plan of the Group

The Company has a stock option plan for employees of the Company and its subsidiaries, authorized by the nomination and remuneration committee. In accordance with the terms of the plan, as approved by shareholders at its annual general meeting dated August 19, 2014. Eligible employees are granted to get stock option with graded vesting period of four years. The quantum of stock option is decided by the Nomination and Remuneration Committee. The shares are transferred to employees from the Sonata Software Limited Employee Welfare Trust based on approval.

Each vested stock option shall convert into one equity share of the Company upon exercise. The exercise price of the stock option shall be the closing market price of the share on National Stock Exchange of India Ltd on the trading day immediately preceding the date of the grant. The stock options carry neither rights to dividends nor voting rights unless the transfer of shares from the Sonata Software Limited Employee Welfare Trust to the employee is duly registered by the Company. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the year ended March 31, 2026

Number of Shares	Grant date	Vesting date	Exercise price (₹)	Fair value of the stock options at grant date	Contractual terms
53,332	May 29, 2020	May 28, 2023	77.27	23.49	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Company
1,022,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
79,998	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
40,000	May 25, 2022	May 24, 2026	247.07	77.79 - 87.93	
120,000	Apr 3, 2023	Apr 2, 2027	418.15	115.48 - 130.99	
125,000	Dec 27, 2024	Dec 27, 2028	615.10	178.31 - 250.86	

The following share-based payment arrangements were in existence during the year ended March 31, 2025

Number of Shares	Grant date	Vesting date	Exercise price (₹)	Fair value of the stock options at grant date	Contractual terms
53,332	May 29, 2020	May 28, 2023	77.27	23.49	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Company
1,066,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
79,998	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
60,000	May 25, 2022	May 24, 2026	247.07	77.79 - 87.93	
160,000	Apr 3, 2023	Apr 2, 2027	418.15	115.48 - 130.99	
125,000	Dec 27, 2024	Dec 27, 2028	615.10	178.31 - 250.86	

(ii) Fair value of share options outstanding at the year end

Options are priced using Black - Scholes pricing model.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

Inputs into the model

For the year ended March 31, 2026

Grant date	May 29, 2020	Apr 8, 2022	May 19, 2022	May 25, 2022	Apr 3, 2023	Dec 27, 2024
Grant date share price (₹)	101.45	299.98	252.21	241.43	429.50	600.40
Exercise price (₹)	77.27	294.55	250.66	247.07	418.15	615.10
Expected volatility (%)	40	40	40	40	40	34.6
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.00	2.00	2.00	4.50	2.60
Risk-free interest rate (%)	4.76-5.26	6.00 - 6.67	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32	6.89

For the year ended March 31, 2025

Grant date	May 29, 2020	Apr 8, 2022	May 19, 2022	May 25, 2022	Apr 3, 2023	Dec 27, 2024
Grant date share price (₹)	101.45	299.98	252.21	241.43	429.50	600.40
Exercise price (₹)	77.27	294.55	250.66	247.07	418.15	615.10
Expected volatility (%)	40	40	40	40	40	34.6
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.00	2.00	2.00	4.50	2.60
Risk-free interest rate (%)	4.76-5.26	6.00 - 6.67	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32	6.89

(iii) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2025-2026		2024-2025	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	1,440,994	292.95	1,419,994	295.83
Granted during the year	-	-	125,000	217.34
Exercised during the year	73,332	123.58	104,000	332.95
Expired during the year	50,000	467.89	-	-
Balance at end of year	**1,317,662**	**332.67**	**1,440,994**	**292.95**
Exercisable at the end of the year	873,080	306.24	569,330	272.13

(iv) Stock options exercised during the year

The following share options were exercised during the financial year 2025-26:

Granted on	Number exercised	Exercise date	Share price at exercise date
May 29, 2020	53,332	April 21, 2025	318.44
May 25, 2022	20,000	July 10, 2025	431.79

The following share options were exercised during the financial year 2024-25:

Granted on	Number exercised	Exercise date	Share price at exercise date
May 25, 2022 to April 04, 2023	60,000	June 06, 2024 to June 18, 2024	530.11 to 567.23
April 08, 2022	44,000	March 28, 2025 to March 29, 2025	351.68

(v) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 326.25 (as at March 31, 2025 ₹ 320.85).

During the year, the amount recognised as net expense for employee stock options is ₹ 183 Lakhs (for the year ended March 31, 2025 is ₹ 285 Lakhs).

34. Consolidation of Employee Welfare Trust

Ind AS 110 – Consolidated financial statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in view of which the company has consolidated Sonata employee welfare trust accounts.

During the year ended March 31, 2026, no advance has been given to Sonata Software Employees Welfare Trust. The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the Company. Cash and cash equivalents and bank balances of ₹ 311 lakhs, investments ₹ 3,220 lakhs and other liabilities ₹ 194 lakhs, equity ₹ 3,337 lakhs (During the year ended March 31, 2025, no advance has been given to Sonata Software Employees Welfare Trust. The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Holding Company on the basis that such trust is merely acting as the agent of the Company. Cash and cash equivalents and bank balances of ₹ 3,231 lakhs, investments ₹ 21 lakhs, other assets ₹ 5 lakhs and other liabilities ₹ 54 lakhs, equity ₹ 3,203 lakhs).

35. Related party disclosure

i) Details of related parties :

Description of relationship	Names of Related Parties
(a) Post-employment benefit plan (Refer Note 32)	Sonata Software Limited Gratuity Fund
	Sonata Software Officers' Superannuation Fund
(b) Entity with common Key Management Personnel (KMPE)	Outlook Publishing (India) Pvt Ltd
(c) Key Management Personnel (KMP)	Mr. Samir Dhir, Managing Director & Chief Executive Officer (resigned effective May 08, 2026)
	Mr. P Srikar Reddy, Executive Vice Chairman and Whole time Director
	Mr. Pradip P Shah, Chairman & Independent Director (upto August 10, 2024)
	Mr. Sanjay K Asher, Chairman (w.e.f August 15, 2024) & Independent Director
	Ms. Radhika Rajan, Independent Director (upto August 12, 2024)
	Mr. Surin Kapadia, Independent Director (w.e.f August 06, 2024)
	Ms. Mona Ninad Desai, Independent Director (w.e.f August 06, 2024)
	Mr. Viren Raheja, Non Executive Director
	Mr. S B Ghia, Non Executive Director
	Mr. Jagannathan CN, Chief Financial Officer
	Ms. Mangal Krishnarao Kulkarni, Company Secretary

ii) Transactions with related parties :

₹ in Lakhs

Particular	KMPE, KMP	
	March 31, 2026	March 31, 2025
Compensation of key management personnel of the Company		
Short-term employee benefits*	1,335	1,482
Other long-term employee benefits	(2,816)	896
Share-based payment transactions	76	170
Others	393	363
Total compensation paid to key management personnel	**(1,012)**	**2,911**
Balances outstanding at the end of the year		
Advance to suppliers		
Outlook Publishing (India) Pvt Ltd	-	24
Payable to key management personnel of the Company		
Short-term employee benefits*	381	693
Other long-term employee benefits	-	2,388
Share-based payment transactions	1,039	976
Others	408	363

* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

There has been a reversal in long term incentive payable to KMP amounting to ₹ 2,816 Lakhs, based on actual outcome of underlying performance linked parameters for FY 2025-26.

Terms and conditions of transactions with related parties:

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

36. Segment Reporting

The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on geographical territory. Accordingly, the reportable segments are "India" and "Other than India".

The Group's operation comprises of software development, technical services and product marketing. Primary segmental reporting is based on geographical areas based on location of customer, viz., Domestic (India) and International (Other than India). Secondary segment comprises business segment viz., products and services.

In primary segment, revenue and all expenses, which relate to a particular geographical segment based on location of customer, are reported. Secondary segment is reported based on the Group's business viz., products and services. Revenue is identified based on the business operations.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Primary disclosure

Geographical segment based on location of customers

₹ in Lakhs

Particulars	India		Other than India		Unallocable		Consolidated	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue								
Segment revenue	655,690	611,325	416,105	405,897	-	-	1,071,795	1,017,222
Inter segment revenue	-	-	-	-	-	-	(1,671)	(1,497)
Revenue from operations	-	-	-	-	-	-	**1,070,124**	**1,015,725**
Segment result								
Profit before tax, interest, depreciation and amortization	34,541	22,466	49,849	52,433	189	1,141	84,579	76,040
Less: Depreciation and amortization	-	-	-	-	-	-	(10,426)	(12,149)
Less: Finance costs	-	-	-	-	-	-	(5,142)	(6,525)
Profit before tax and exceptional item	-	-	-	-	-	-	**69,011**	**57,366**
Less: Exceptional item								
- Impairment / provision against receivables	-	-	-	-	-	-	(9,695)	-
- Changes in fair value of contingent consideration payable	-	-	-	-	-	-	6,538	-
- Statutory impact of new labour codes	-	-	-	-	-	-	(3,128)	-
Profit before tax	-	-	-	-	-	-	**62,726**	**57,366**
Less: Tax expense	-	-	-	-	-	-	(16,287)	(14,899)
Profit after tax	-	-	-	-	-	-	**46,439**	**42,467**
Segment assets	171,089	139,880	302,729	302,106	35,311	33,529	509,129	475,515
Segment liabilities	174,255	143,704	120,260	138,022	24,151	23,195	318,666	304,921

Secondary disclosure

Business segment

₹ in Lakhs

Particulars	Products		Services		Unallocable		Consolidated	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue	814,881	739,805	255,243	275,920	-	-	1,070,124	1,015,725
Assets	171,089	139,880	302,729	302,106	35,311	33,529	509,129	475,515
Capital expenditure	40	87	9,373	1,462	-	-	9,413	1,549

37. Statement of net assets and profit or loss attributable to owners and non-controlling interest

a) As at and for the year ended March 31, 2026

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)
Parent :								
Sonata Software Limited	38.92%	81,585	40.32%	27,872	8.78%	(1,089)	47.22%	26,783
Subsidiaries :								
Indian								
Sonata Information Technology Limited	15.98%	33,504	25.99%	17,964	20.83%	(2,584)	27.12%	15,380
Sonata Software Solutions Limited	8.65%	18,137	8.44%	5,837	1.47%	(182)	9.97%	5,655
Encore IT Services Solutions Private Limited	0.36%	760	-0.11%	(73)	0.00%	-	-0.13%	(73)
Foreign								
Sonata Software North America Inc.	22.43%	47,014	9.57%	6,616	82.38%	(10,220)	-6.35%	(3,604)
Sonata Software LLC,US (formerly known as Sopris Systems LLC)[2]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sonata Software (Qatar) LLC	0.00%	(6)	0.00%	-	0.01%	(1)	0.00%	(1)
Sonata Software GmbH	0.22%	469	0.33%	229	-0.43%	53	0.50%	282
Sonata Europe Limited	6.38%	13,382	6.51%	4,499	-6.93%	860	9.45%	5,359
GAPbuster Worldwide Pty Limited	0.56%	1,168	-0.07%	(48)	-1.66%	206	0.28%	158
GAPbuster Inc.	-0.25%	(529)	-0.30%	(205)	0.34%	(42)	-0.44%	(247)
Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia SDN. BHD.)	0.04%	79	0.13%	92	-0.07%	9	0.18%	101
Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	0.17%	358	-0.08%	(57)	-0.18%	22	-0.06%	(35)
Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	0.03%	54	0.05%	37	0.03%	(4)	0.06%	33
Sonata Australia Pty Ltd	2.33%	4,887	2.67%	1,845	-1.55%	192	3.59%	2,037
Encore Software Services Inc. [4]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sonata Software Intercontinental Limited	-0.42%	(889)	0.15%	101	1.31%	(162)	-0.11%	(61)
Sonata Software Canada Limited	0.09%	194	0.08%	52	-0.16%	20	0.13%	72
Sonata Latin America S. DE R.L. DE C.V.	-0.04%	(94)	-0.15%	(106)	-0.27%	33	-0.13%	(73)
Sonata Software Malaysia SDN. BHD.	0.26%	537	0.26%	178	-0.65%	81	0.46%	259

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)
Sonata Software Solutions [1]	-0.01%	(13)	-0.05%	(32)	0.00%	-	-0.06%	(32)
Sonata Software Solutions North America Inc. (formerly known as Quant Systems Inc.)	1.97%	4,123	4.37%	3,022	-3.20%	397	6.03%	3,419
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	2.34%	4,900	1.88%	1,302	-0.04%	5	2.30%	1,307
Quant Systems CRC Inc Sociedad de Responsabilidad Limitada	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Woodshed LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub total	**100%**	**209,620**	**100%**	**69,125**	**100%**	**(12,406)**	**100%**	**56,719**
Elimination		(19,157)		(22,686)		11,364		(11,322)
Total		**190,463**		**46,439**		**(1,042)**		**45,397**

b) As at and for the year ended March 31, 2025

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)
Parent :								
Sonata Software Limited	40.03%	80,330	26.51%	21,377	3.57%	(119)	27.50%	21,258
Subsidiaries :								
Indian								
Sonata Information Technology Limited	16.01%	32,124	22.33%	18,003	6.81%	(227)	23.00%	17,776
Sonata Software Solutions Limited	8.46%	16,982	8.85%	7,133	-0.45%	15	9.25%	7,148
Encore IT Services Solutions Private Limited	0.42%	833	0.50%	402	-0.15%	5	0.53%	407
Foreign								
Sonata Software North America Inc.	25.22%	50,622	36.97%	29,804	134.04%	(4,469)	32.78%	25,335
Sonata Software LLC,US (formerly known as Sopris Systems LLC) [2]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sonata Software (Qatar) LLC	0.00%	(6)	0.00%	-	0.00%	-	0.00%	-
Sonata Software GmbH	0.09%	187	0.39%	314	-0.15%	5	0.41%	319
Sonata Europe Limited	4.03%	8,086	-5.46%	(4,404)	-20.22%	674	-4.83%	(3,730)
GAPbuster Worldwide Pty Limited	0.50%	1,010	1.58%	1,273	0.21%	(7)	1.64%	1,266
GAPbuster Inc.	-0.14%	(282)	-0.17%	(137)	0.24%	(8)	-0.19%	(145)
Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia SDN. BHD.)	-0.01%	(21)	0.05%	39	0.33%	(11)	0.04%	28
Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	0.20%	393	0.20%	158	-0.21%	7	0.21%	165
Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	0.01%	21	0.06%	45	0.09%	(3)	0.05%	42
Sonata Australia Pty Ltd	1.42%	2,850	0.64%	513	0.93%	(31)	0.62%	482
Encore Software Services Inc. [4]	0.00%	-	0.00%	(2)	0.00%	-	0.00%	(2)
Sonata Software Intercontinental Limited	-0.41%	(829)	-0.94%	(757)	0.81%	(27)	-1.01%	(784)
Sonata Software Canada Limited	0.06%	122	-0.02%	(19)	0.09%	(3)	-0.03%	(22)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share of profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated profit / (loss)	Amount (₹ in lakhs)
Sonata Latin America S. DE R.L. DE C.V.	-0.01%	(21)	0.27%	215	-0.75%	25	0.31%	240
Sonata Software Malaysia SDN. BHD.	0.14%	278	0.07%	60	-0.84%	28	0.11%	88
Sonata Software Solutions [1]	0.01%	18	-0.01%	(7)	0.03%	(1)	-0.01%	(8)
Quant Systems Inc.	2.22%	4,446	7.59%	6,121	-24.54%	818	8.98%	6,939
Quant Cloud Solutions Private Limited	1.77%	3,553	0.61%	492	0.15%	(5)	0.63%	487
Quant Systems CRC Inc Sociedad de Responsabilidad Limitada	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Woodshed LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub total	**100%**	**200,696**	**100%**	**80,623**	**100%**	**(3,334)**	**100%**	**77,289**
Eliminations		(30,102)		(38,156)		2,428		(35,728)
Total		**170,594**		**42,467**		**(906)**		**41,561**

1 Sonata Software Solutions is incorporated in Egypt with effect from May 12, 2024.

2 Sonata Software LLC in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limited on May 6, 2024.

3 Encore Software Services, Inc. in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limited on August 26, 2024.

38. Leases

The Group leases mainly comprises of land and buildings. The Group leases buildings for operational purposes.

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

₹ in Lakhs

Particulars	Category of ROU asset		
	Leasehold land	Leasehold buildings	Total
Balance as at April 1, 2025	**164**	**6,194**	**6,358**
Additions	-	12,925	12,925
Deletion	-	(2,127)	(2,127)
Depreciation for the year	(13)	(2,908)	(2,921)
Translation difference	-	112	112
Balance as at March 31, 2026	**151**	**14,196**	**14,347**

₹ in Lakhs

Particulars	Category of ROU asset		
	Leasehold land	Leasehold buildings	Total
Balance as at April 1, 2024	**177**	**7,920**	**8,097**
Additions	-	564	564
Deletion	-	(65)	(65)
Depreciation for the year	(13)	(2,224)	(2,237)
Translation difference	-	(1)	(1)
Balance as at March 31, 2025	**164**	**6,194**	**6,358**

The following is the movement in lease liabilities during the year:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**7,446**	**9,116**
Non-cash changes		
Additions		
Finance cost accrued during the year	12,671	559
Deletions	1,477	768
Translation difference	(2,350)	(68)
Cash changes	**139**	**(2)**
Payment of lease liabilities	(3,900)	(2,927)
Balance at the end of the year	**15,483**	**7,446**

Incremental borrowing rate used for discounting of lease liabilities is 1.58% to 10.81% based on the lease term and geographical area of the Group. The Lease term generally ranges from 3 years to 15 years.

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	3,099	1,877
Non-current lease liabilities	12,384	5,569
Total	**15,483**	**7,446**

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, 2026	As at March 31, 2025
Not later than one year	3,228	1,973
Later than one year and not later than 5 years	11,648	4,076
Later than 5 years	6,745	5,163
Total	**21,621**	**11,212**

The Group recognised the following income and expense in the consolidated statement of profit and loss pertaining to leased assets:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Finance cost on lease liabilities (refer note 22)	1,477	768
Depreciation on ROU assets (refer note 23)	2,921	2,237
Rent expense pertaining to short- term leases (refer note 24)	1,045	1,499
Total	**5,443**	**4,504**

39. 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 for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Group as per the Companies Act, 2013. The CSR initiatives are focused towards the areas of education, healthcare, livelihood support, conserving art and economic empowerment of Artisans through technological support, diversity and inclusion, water conservation, wildlife conservation, digital skilling, LGTBQ+ Inclusion, special education to empower hearing-impaired students, cultural heritage.

(i) Gross amount required to be spent by the Group and approved by Board of Directors during the year is ₹ 803 lakhs (For the year ended March 31, 2025 is ₹ 778 lakhs)

(ii) Amount spent during the year is ₹ 822 lakhs (For the year ended March 31, 2025 is ₹ 776 lakhs)

₹ in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	822	-	822	776	-	776
Total	**822**	**-**	**822**	**776**	**-**	**776**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	(5)	(7)
Add: Amount required to be spent during the year	803	778
Less: Amount Spent during the year	(822)	(776)
Closing balance (short / (excess) spent)	**(24)**	**(5)**

40. Earnings per share

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

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax attributable to equity shareholders (₹ in Lakhs) (a)	46,439	46,439	42,467	42,467
Weighted average number of equity shares outstanding during the year (Nos)	280,424,816	280,424,816	280,371,161	280,371,161
Weighted average number of potential equity shares exercised by Sonata Software Limited Employee Welfare Trust (Nos)	(3,006,965)	(3,006,965)	(2,768,340)	(2,768,340)
Weighted average number of equity shares resulting from assumed exercise of employee stock options (Nos) *	-	-	-	285,737
Weighted average number of equity shares for calculation of earning per share (Nos) (b)	277,417,851	277,417,851	277,602,821	277,888,558
Basic earning per share (a/b)	16.74	-	15.30	-
Diluted earning per share (a/b)	-	16.74	-	15.28

* Due to the anti-dilutive effect of potential equity shares, the diluted earnings per share has been restricted to the basic earnings per share for the year ended March 31, 2026.

41. Distributions made and proposed (refer note 11 & 12):

The Board of Directors at their meeting held on July 30, 2025 has declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).
The Board of Directors at their meeting held on November 30, 2025 has declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).
The Board of Directors at their meeting held on February 6, 2026 has declared and paid an interim dividend of 125% (₹ 1.25 per equity share of par value of ₹ 1 each).
The Board of Directors at their meeting held on May 07, 2026 have recommended a final dividend of 415% (₹ 4.15 per equity share of par value of ₹ 1 each) for the financial year ended March 31, 2026, which is subject to approval of shareholders.
The Board of Directors at its meeting held on May 07, 2025 had declared and paid a final dividend of 440% (₹ 4.40 per equity share of par value ₹ 1 each).

42. There is no amount due or outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

43. Additional disclosures required by Schedule III (amendments dated 24 March 2021) to the Companies Act, 2013;

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

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

(iii) The Group 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 Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) No funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

(vi) The Group 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 Group 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 Group 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 Group 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 March 31, 2026.

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

43. Subsequent events

Upon expiration of the term of Mr. Samir Dhir (DIN: 03021413), on May 08, 2026, he will cease to vacate office as Managing Director & Chief Executive Officer of the Company. Mr. Samir Dhir has also resigned from the position of Executive Director with effect from close of business hours on May 08, 2026 (the date of expiry of his term as Managing Director & Chief Executive Officer). The Board took note of the above at its meeting held on April 25, 2026 and appointed Mr. Rajsekhar Datta Roy as the Chief Executive Officer of the Company with effect from May 09, 2026.

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Whole-time Director &
Executive Vice Chairman
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Jagannathan C N
Chief Financial Officer

Place: Mumbai
Date : May 07, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2026

BOARD'S REPORT

SONATA INFORMATION TECHNOLOGY LIMITED (THE 'COMPANY')

Dear Members,

Your Directors have pleasure in presenting the **Twenty-Sixth** Annual Report of Sonata Information Technology Limited ("SITL" or "the Company") together with the Audited Financial Statements for the financial year ended **31st March, 2026.**

CORPORATE OVERVIEW

Your Company is a leading provider of Information Technology solutions, system integration services, and the resale of enterprise technology products from global OEM partners, including Microsoft, IBM, and Oracle. The Company caters to a diverse customer base across India, supporting enterprises with integrated, technology-led solutions across cloud infrastructure, digital platforms, cybersecurity, and enterprise modernization, aligned with evolving business and operational requirements. There has been no change in the nature of business of your Company during FY 2025–26.

Sonata Information Technology Limited ("SITL") is a public limited company incorporated and domiciled in India, with its registered office in Mumbai and operational headquarters in Bengaluru. As a wholly owned subsidiary of Sonata Software Limited ("SSL"), a company listed on the National Stock Exchange of India Limited and BSE Limited, SITL functions as a material unlisted subsidiary within the Sonata Group. With a strong customer-centric approach, deep-rooted technology partnerships, and continued focus on innovation and execution excellence, the Company remains well positioned as a trusted partner in its customers' digital and cloud transformation initiatives and in supporting customers' adoption and execution of their AI strategies.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March, 2026, compared with the previous year, is as under:

(₹ in Crores unless otherwise stated)

Particulars	Financial year ended 31.03.2026	Financial year ended 31.03.2025
Revenue from Operations	7,803.55	7,347.72
Total Income	7,849.06	7,387.75
Profit Before Tax	242.17	242.05
Profit After Tax	179.62	180.03
Total Comprehensive Income	153.77	177.76
Earnings Per Share (₹)	532.19	533.39
Total Equity	335.01	321.24
Total Assets	2,098.46	1,776.48
Cash & Cash Equivalents (including bank balances)	274.33	253.92

BUSINESS PERFORMANCE

During the financial year ended 31st March, 2026, the Company recorded revenue from operations of ₹ 7,803.55 crore, reflecting steady business momentum driven by growth in enterprise product sales and related services. Total income stood at ₹ 7,849.06 crore, compared to ₹ 7,387.75 crore in the previous year.

The profit before tax was ₹242.17 crore, broadly in line with the previous year, while profit after tax was ₹179.62 crore. The performance reflects a stable operating environment with continued focus on disciplined cost management and efficient working capital deployment.

The Company continued to maintain a strong balance sheet, with total assets increasing to ₹2,098.46 crore as at 31st March, 2026, supported by higher trade receivables, investments, and cash balances. Total equity increased to ₹335.01 crore, driven primarily by retained earnings, notwithstanding dividend payouts during the year.

The Company maintained a healthy liquidity position, with cash and cash equivalents (including bank balances other than cash equivalents) aggregating to ₹274.33 crore as at the end of the financial year.

BUSINESS OUTLOOK

Your Directors remain cautiously optimistic about the business environment and the Company's growth prospects. The continued global shift towards digital-first operating models, coupled with sustained demand for cloud adoption, presents meaningful opportunities for SITL to further strengthen its Managed Services offerings.

During the coming period, the Company will focus on expanding its customer base with emphasis on

cloud-native and cloud-migration engagements, particularly in the areas of cloud security, governance and compliance. By leveraging strategic technology partnerships and deepening internal capabilities, SITL aims to deliver scalable, secure and value-driven digital transformation solutions that support clients' evolving business needs and long-term operational agility.

DIVIDEND / TRANSFER TO RESERVES

Your Directors are pleased to recommend a Final Dividend of ₹296.26 (Rupees Two Hundred Ninety-Six and Paise Twenty-Six only) per equity share (i.e., 2962.60% on the face value of ₹10 each), for the financial year ended 31st March, 2026. The Final Dividend, if approved by the Members at the ensuing Annual General Meeting, will be paid after deduction of tax at source, as applicable.

During the financial year under review, Your Directors declared and paid two interim dividends. The first interim dividend of ₹ 59.25 per equity share, amounting to ₹20 Crores, was approved by the Board at its meeting held on 13th November, 2025. The second interim dividend of ₹ 59.25 per equity share, amounting to ₹20 Crores, was approved by the Board at its meeting held on 6th February, 2026.

Accordingly, the total dividend declared for the financial year 2025–26 aggregates to ₹ 414.77 (Rupees Four Hundred Fourteen and Seventy-Seven Paisa only) per equity share.

Your Directors have not transferred any amount to the General Reserve during the financial year ended 31st March, 2026.

The paid-up share capital of your Company stands at ₹ 3,37,53,940, comprising 33,75,394 equity shares of ₹ 10 each, fully paid-up. No fresh issuance of shares, whether by way of public issue, rights issue or preferential allotment, was made during the year under review.

BOARD OF DIRECTORS AND OTHER MANAGERIAL PERSONNEL

Your Directors wish to inform the Members of the following changes in the composition of the Board of Directors of the Company during the financial year ended 31st March, 2026 and up to the date of this Report:

a) Ms. Mona Ninad Desai (DIN: 03065966), who was appointed as an Independent Director pursuant to the provisions of the Companies Act, 2013, was confirmed by the Members at the Annual General Meeting held in the year 2025. She continues to hold office as an Independent Director of the Company.

Her appointment is also in compliance with the provisions of the Companies Act, 2013 and Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable to an unlisted material subsidiary of a listed entity, and accordingly, the composition of the Board of the Company continues to be in compliance with the requirements thereof.

As required under Section 149(7) of the Companies Act, 2013, Ms. Desai has confirmed that she meets the criteria of independence as specified under Section 149(6) of the Act. There were no changes in circumstances affecting her status as an Independent Director during the financial year under review. She has also affirmed her adherence to the Code of Conduct of the Company and continues to be registered in the Independent Directors' Databank.

b) As on 31st March, 2026, the composition of the Board of Directors is as follows:

Name of the Director & DIN	Designation	Category
Mr. P Srikar Reddy (DIN: 00001401)	Director & Chairperson	Non-Executive
Mr. Sujit Mohanty (DIN: 00001404)	Managing Director & CEO	Executive
Ms. Mona Ninad Desai (DIN: 03065966)	Independent Director	Independent Director
Mr. Samir Dhir* (DIN: 03021413)	Non-Executive Director	Non-Executive

c) *Mr. Samir Dhir (DIN: 03021413) has resigned from the office of Director of the Company with effect from the close of business hours on 8th May, 2026. The Board places on record its appreciation for the valuable guidance and contributions made by Mr. Dhir during his tenure as Director of the Company.

Upon the resignation of Mr. Samir Dhir, the composition of the Board of Directors of the Company continues to be in compliance with the applicable provisions of the Companies Act, 2013, read with the rules made thereunder.

The composition of the Audit Committee and the Corporate Social Responsibility (CSR) Committee of the Board continues to fulfil the requirements prescribed under Sections 177 and 135 of the Companies Act, 2013, respectively.

The remaining Directors, namely Mr. P. Srikar Reddy, Mr. Sujit Mohanty and Ms. Mona Ninad

Desai, shall continue as Members of the Audit Committee and the CSR Committee. Both the Committees, as so constituted after the resignation of Mr. Samir Dhir, continue to be validly and lawfully constituted, without requiring any reconstitution or fresh appointments.

DIRECTOR'S RESPONSIBILITY STATEMENT

In pursuance of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors, based upon the information and explanations obtained and documents made available, and to the best of their knowledge and belief, hereby confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently, making judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD & COMMITTEE MEETINGS

During the financial year ended 31st March, 2026, the Board of Directors of the Company and their Committees met four times, on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026. The maximum interval between any two consecutive meetings of the Board and/or Committees did not exceed 120 days, thereby complying with the provisions of Section 173(1) of the Companies Act, 2013 and Secretarial Standard-1 (SS-1) issued by the Institute of Company Secretaries of India.

Name of Director	07-05-2025	30-07-2025	13-11-2025	06-02-2026
Mr. P Srikar Reddy (DIN: 00001401)	Present	Present	Present	Present
Mr. Sujit Mohanty (DIN: 00001404)	Present	Present	Present	Present
Ms. Mona Ninad Desai (DIN: 03065966)	Present	Present	Present	Present
Mr. Samir Dhir (DIN: 03021413)	Present	Present	Present	Present

Meetings of the Board Committees, namely the Audit Committee and the Corporate Social Responsibility Committee, were also held on the same dates. These meetings were duly convened and conducted in accordance with the applicable provisions of the Companies Act, 2013, read with the rules made thereunder.

The agenda and the relevant notes to agenda for all the meetings were circulated well in advance to the Directors, in accordance with applicable secretarial standards, to facilitate informed deliberations and decision-making.

AUDIT COMMITTEE

The Audit Committee of the Board is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.

The composition of the Audit Committee of the Board during the financial year ended 31st March, 2026 and as on the date of this Report is as follows:

Name of the Director & DIN	Designation (in the Committee)	Category
Ms. Mona Ninad Desai (DIN:03065966)	Chairperson	Independent Director
Mr. Sujit Mohanty (DIN: 00001404)	Member	Executive Director
Mr. P. Srikar Reddy (DIN: 00001401)	Member	Non-Executive Directors
Mr. Samir Dhir* (DIN: 03021413)	Member	Non-Executive Director

* Mr. Samir Dhir will cease to be a Director & member of the Committee w.e.f. close of business hours on 08th May, 2026.

During the financial year under review, the Audit Committee met four times, on 7th May, 2025, 30th July, 2025, 13th November, 2025 and 6th February, 2026. The time gap between any two meetings was within the statutory limits prescribed under the Companies Act, 2013.

Name of Director	07-05-2025	30-07-2025	13-11-2025	06-02-2026
Ms. Mona Ninad Desai (DIN:03065966)	Present	Present	Present	Present
Mr. Sujit Mohanty (DIN: 00001404)	Present	Present	Present	Present
Mr. P. Srikar Reddy (DIN: 00001401)	Present	Present	Present	Present
Mr. Samir Dhir* (DIN: 03021413)	Present	Present	Present	Present

All the recommendations made by the Audit Committee during the year under review were duly accepted and acted upon by the Board of Directors.

Your Directors confirm that pursuant to the resignation of Mr. Samir Dhir, the Audit Committee, as re-constituted, continues to be validly and lawfully constituted in compliance with the provisions of Section 177 of the Companies Act, 2013, and no fresh constitution or appointments were required.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee of your Company is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013.

The composition of the CSR Committee of the Board during the financial year ended 31st March, 2026 and as on the date of this Report is as follows:

Name of the Director & DIN	Designation (in the Committee)	Category
Ms. Mona Ninad Desai (DIN:03065966)	Chairperson	Independent Director
Mr. Sujit Mohanty (DIN: 00001404)	Member	Executive Director
Mr. P. Srikar Reddy (DIN: 00001401)	Member	Non-Executive Director
Mr. Samir Dhir* (DIN: 03021413)	Member	Non-Executive Director

* Mr. Samir Dhir will cease to be a Director & member of the Committee w.e.f. close of business hours on 08th May, 2026.

The Committee met four times during the financial year - on 7th May, 2025, 30th July, 2025, 13th November, 2025, and 6th February, 2026.

Name of Director	07-05-2025	30-07-2025	13-11-2025	06-02-2026
Ms. Mona Ninad Desai (DIN:03065966)	Present	Present	Present	Present
Mr. Sujit Mohanty (DIN: 00001404)	Present	Present	Present	Present
Mr. P. Srikar Reddy (DIN: 00001401)	Present	Present	Present	Present
Mr. Samir Dhir* (DIN: 03021413)	Present	Present	Present	Present

A brief outline of the Corporate Social Responsibility Policy of the Company and the details of the initiatives undertaken during the year are annexed to this Report as **Annexure II**, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

INDEPENDENT DIRECTORS' MEETING

In accordance with Schedule IV of the Companies Act, 2013, a separate meeting of Independent Director was held on 6th February, 2026 without the attendance of Non-Independent Directors and members of management. The Independent Directors met all the Auditors to discuss the audit quality and independence and further, reviewed the performance of Non-Independent Directors, the Board as a whole, and the performance of the Chairperson, taking into account the views of Executive and Non-Executive Directors.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Pursuant to Regulation 25(7) of SEBI LODR and Schedule IV of the Companies Act, 2013, the Company has conducted Familiarization Programs for Independent Directors to familiarize them with their roles, rights, responsibilities, the nature of the industry, and the business model of the Company. Details of the Familiarization Programs, including the number of programs attended and hours spent by Independent Directors, are available on the Company's website at https://www.sonata-software.com/

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes or commitments affecting the financial position of your Company which have occurred during the financial year ended 31st March, 2026 and up to the date of this Report.

QUALIFICATIONS IN AUDIT REPORTS

Your Directors confirm that the Statutory Auditor's Report and the Secretarial Audit Report for the financial year ended 31st March, 2026, do not contain any qualifications, reservations, or adverse remarks. The reports are self-explanatory and do not call for any further comments by the Board.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants, Bengaluru (Firm Registration No. 101248W/W100022), were appointed as the Statutory Auditors of the Company at the Twenty Second (22nd) Annual General Meeting (AGM), to hold office for a term of five consecutive years, until the conclusion of the Twenty

Seventh (27th) AGM of the Company, in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended.

The Statutory Auditors have confirmed that they continue to satisfy the eligibility and independence criteria prescribed under the Companies Act, 2013, and the Code of Ethics issued by the Institute of Chartered Accountants of India. The Auditors' Report for the financial year under review contains an unmodified opinion and does not include any qualification, reservation, or adverse remark.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, based on the recommendation of Audit Committee, appointed M/s. GDR & Partners LLP, Company Secretaries, were appointed as the Secretarial Auditors of the Company.

The Secretarial Audit Report in Form MR-3 for the financial year ended 31st March, 2026 is annexed to this Report as **Annexure I**.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Your Directors also confirm that pursuant to the approval of the Members at the Annual General Meeting held in the year 2025, M/s. GDR & Partners LLP have been appointed as Secretarial Auditors of the Company for a term of five consecutive years, commencing from the financial year 2025–26 up to 2029–30, subject to the approval of the shareholders at the ensuing Annual General Meeting.

A copy of the Secretarial Audit Report is also being provided to the holding company, Sonata Software Limited, for compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REPORTING OF FRAUDS BY AUDITORS

During the financial year under review, there were no instances of fraud reported by the Statutory Auditors or the Secretarial Auditor under Section 143(12) of the Companies Act, 2013, to the Audit Committee or to the Board of Directors.

MAINTENANCE OF COST RECORDS AND APPOINTMENT OF COST AUDITOR

Your Directors state that the Company is not engaged in any activity requiring the maintenance of cost records under the Companies (Cost Records and Audit) Rules, 2014. Accordingly, the provisions relating to maintenance of cost records and appointment of Cost Auditor are not applicable to the Company for the financial year ended 31st March, 2026.

SECRETARIAL STANDARDS

Your Directors confirm that the Company has complied with the applicable provisions of the Secretarial Standards, namely Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings, issued by the Institute of Company Secretaries of India (ICSI) and as notified by the Ministry of Corporate Affairs, during the financial year ended 31st March, 2026.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, a copy of the Annual Return for the financial year ended 31st March, 2026 is available on the website of Sonata Software Limited (Holding Company) under the Investor Relations section, at: https://www.sonata-software.com/about-us/investor-relations/corporate-governance

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE OUTGO

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is provided below:

A. Conservation of Energy

Your Company remains committed to sustainable business practices and energy conservation, as outlined in its Sustainability Policy. Although the operations of the Company are not energy-intensive in nature, continuous efforts are made to optimize energy usage and reduce environmental impact through the following initiatives.

- Operational optimization of engineering systems during non-working hours.
- Installation of low-flow aerators for washbasins and low-flow faucets in pantry and cafeteria dishwashing areas.
- Installation of back-draft dampers in Air Handling Units (AHUs) to prevent air leakage when idle.

- Thermal insulation in AHU areas to enhance cooling efficiency.
- Optimization of temperature set-points to 24°C across office premises.
- Reduction of DG A-Check frequency to limit emissions.
- Elimination of non-essential power loads during weekends, including switching off vending machine heaters, lighting circuits, and manual loads.
- Use of 100% renewable energy for electricity consumption at the Global Village campus in Bengaluru.
- Implementation of HUIDA water management systems to significantly reduce washroom water consumption.

These measures reflect the Company's ongoing commitment to environmental responsibility and operational efficiency.

B. Technology Absorption

During the year, your Company focused on accelerating technology capabilities in the areas of Cloud & Data Modernization and Hybrid Infrastructure Management. The Company strengthened and expanded its strategic alliances with key global OEMs and technology partners to offer enhanced solutions in Cloud Security, Hybrid System Integration, and AI-enabled transformation services to Indian enterprise customers.

Investments were also made in internal capability development and tools for next-gen service delivery, particularly in line with evolving customer needs for AI, automation, and cybersecurity resilience

C. Foreign Exchange Earnings and Outgo

The details of foreign exchange transactions during the financial year ended March 31, 2026, are as follows:

- Foreign Exchange Outgo: ₹ 26,831 Lakhs (on account of travel, royalty, import of traded goods, etc.)
- Foreign Exchange Earnings: ₹ 275,761 Lakhs (on account of software services rendered, export of traded products, and interest income).

PARTICULARS OF EMPLOYEES

The disclosures required under Rule 5(2) and Rule 5(3) of the said Rules, relating to particulars of employees drawing remuneration in excess of the prescribed limits, are not applicable to the Company for the financial year ended 31st March, 2026.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public or its employees during the financial year under review within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the rules made thereunder.

Consequently, no amount of principal or interest was outstanding as on 31st March, 2026.

AWARDS & RECOGNITION

During the financial year under review, your Company continued to strengthen its positioning with global OEM partners and customers, reflecting its execution capabilities and market presence in the technology solutions and systems integration space.

Your Company and its teams were recognized by leading technology partners across key categories, including cloud solutions, enterprise software, cybersecurity and digital platforms. These recognitions are a testament to the Company's continued focus on delivering high-quality solutions, building strong partner ecosystems, and driving customer success across engagements.

- AWS – Best Partner Prospecting Champion (Hyderabad Region)
- GoTo – Top Performing Partner 2025
- Cohesity – Partner of the Year India 2025
- Commvault – Breakthrough Partner of the Year
- WPS – Top Revenue Partner Award
- Freshworks – Best Enterprise Solution Partner APAC

Your Directors note that such industry recognitions reinforce the Company's credibility in the marketplace and its ability to consistently deliver value-led outcomes to its customers through strategic partnerships and execution excellence.

HUMAN RESOURCES MANAGEMENT

Your Company remains focused on attracting, retaining, and nurturing talent across all levels and locations, with new geographic expansions into USA, UK, and Australia.

In FY 2024–25, your Company was honored as the Most Preferred Employer (IT/ITES), underscoring its employee-first culture and commitment to upskilling. The Return-to-Work program saw a significant shift

toward hybrid working, fostering collaboration, inclusivity, and innovation.

Key HR initiatives included:

- Rollout of a comprehensive Diversity & Inclusion (D&I) policy, including SWAN employee resource groups and manager sensitization workshops.
- Launch of the AGILE framework (Action, Growth, Integrity, Learning, Empathy) to align internal culture with business objectives.
- Deployment of capability-building programs in Generative AI (GenAI) through structured training, certifications, and in-house AI support tools.

These initiatives aim to build a resilient, future-ready workforce aligned with your Company's growth trajectory.

MATERNITY BENEFIT COMPLIANCE

Your Directors confirm that the Company is in compliance with the provisions of the Maternity Benefit Act, 1961, as amended.

The Company provides all requisite maternity benefits to eligible employees in accordance with applicable law, including:

- Paid maternity leave for the prescribed period;
- Nursing breaks upon return to work;
- Crèche facilities, wherever applicable; and
- Protection against dismissal or disadvantage during the period of maternity leave.

Your Directors further state that these benefits are implemented through established internal policies and processes, ensuring continued compliance with statutory requirements and reinforcement of the Company's commitment to employee welfare.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls, which are commensurate with the size, scale and complexity of its operations. These controls are designed to ensure the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The Company's internal financial controls are integrated with its enterprise risk management framework and are commensurate with the size and complexity of its operations. These controls ensure accuracy in financial reporting, compliance with applicable laws, safeguarding of assets, and efficient business operations.

Effectiveness of these controls is assessed through:

- Regular management reviews
- Internal and statutory audits
- Periodic review by the Audit Committee

As of 31st March, 2026, the Audit Committee, after reviewing the findings of B S R & Co. LLP (Statutory Auditors), concluded that the internal financial controls of the Company are adequate and operating effectively.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There were no significant or material orders were passed by any Regulators, Courts or Tribunals during the financial year under review or up to the date of this Report, which would have an impact on the going concern status of your Company or its future operations.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

During the year, your Company extended Inter-Corporate Deposits to its fellow subsidiary, Sonata Software Solutions Limited, at prevailing bank lending rates. The maximum amount outstanding during the financial year was ₹ 150 Lakhs, and there was no outstanding balance as of 31st March, 2025.

Additionally, Sonata Software Limited (Holding Company) provided corporate guarantees on behalf of your Company to a principal vendor in connection with your Company's operations. No claims were made under the corporate guarantees during the financial year ended31st March, 2025, and no liability remained outstanding as of that date.

RISK MANAGEMENT

Your Company follows a Group Risk Management Policy adopted by Sonata Software Limited (Holding Company), which identifies and addresses strategic, operational, and compliance risks. The policy integrates risk assessment with the Company's business planning and strategy and is embedded across key functions to mitigate threats and harness growth opportunities.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has continued to undertake Corporate Social Responsibility (CSR) initiatives in accordance with the provisions of Section 135 of the Companies

Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, and in line with the Group CSR Policy adopted by Sonata Software Limited (Holding Company).

The CSR initiatives of the Company are focused on contributing meaningfully towards social, environmental and economic development, in alignment with the activities specified under Schedule VII of the Companies Act, 2013. During the financial year under review, the Company undertook CSR activities in accordance with the approved Annual Action Plan, with emphasis on effective implementation, monitoring and reporting.

The Board, based on the recommendations of the CSR Committee, has ensured that the CSR programs of the Company are implemented in a structured manner, and that the funds allocated for CSR activities are utilised for the intended purposes. The Board has also satisfied itself that the CSR funds so disbursed have been utilised in accordance with the approved framework.

During the year, your Company spent ₹ 3,37,80,314 towards CSR initiatives in line with the Group CSR Policy adopted by Sonata Software Limited. These efforts reflect the Company's commitment to inclusive development and contributing meaningfully to social, environmental, and economic progress.

The details of CSR activities undertaken during the financial year ended 31st March, 2026, including the amount spent and other disclosures as required under the Companies Act, 2013 and the CSR Rules, are set out in the CSR Report annexed as **Annexure II** to this Board's Report.

BOARD EVALUATION

In accordance with the Companies Act, 2013, a formal Board evaluation exercise was conducted covering:

- Performance of the Board, Committees, Chairperson, and Directors
- Evaluation criteria based on structured questionnaires
- Assessment through individual feedback and ratings

The outcome was discussed by the Board and Independent Directors, who expressed satisfaction over the functioning and effectiveness of the governance structure and suggested improvement measures have been acted upon.

VIGIL MECHANISM & SEXUAL HARASSMENT

Your Company follows a Group Vigil Mechanism and Whistle Blower Policy established by Sonata Software Limited, which enables employees to report genuine concerns without fear of retaliation. It includes reporting of unethical behaviour, fraud, policy violations, and other grievances.

Further, the Company adheres to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A Committee constituted in line with the Act oversees complaints and promotes gender sensitization. No complaints were received during the year under review.

The Company affirms that no employee has been denied access to the Audit Committee during the Financial Year under review.

Regular awareness programs are conducted for all employees and stakeholders.

RELATED PARTY TRANSACTIONS

All Related Party Transactions ("RPTs") entered into by your Company during the financial year under review were in the ordinary course of business and on an arm's length basis.

All RPTs were placed before the Audit Committee and/or the Board of Directors for review and approval, as required. Further, prior omnibus approval was obtained from the Audit Committee for repetitive transactions, in accordance with the applicable provisions of the Companies Act, 2013.

None of the transactions entered into by the Company with related parties during the year under review were material transactions within the meaning of Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure in Form AOC-2, as required under Section 134(3)(h) of the Act, is not applicable and does not form part of this Report.

Your Directors confirm that all such transactions, including those with the holding company and fellow subsidiaries, were undertaken in the normal course of business and on an arm's length basis, and were in compliance with the applicable provisions of the Companies Act, 2013.

OTHER DISCLOSURES

a) Your Company has not issued any shares with differential voting rights or sweat equity shares during the financial year under review.

b) There were no applications made or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016, as at 31st March, 2026.

c) There were no instances of one-time settlement with any bank or financial institution, and accordingly, no valuation was required in respect thereof during the financial year under review.

d) No company became or ceased to be a subsidiary, Joint-Venture or associate in 2025–26.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the continued support and guidance received from clients, partners, vendors, banks, financial institutions, government authorities, and regulatory bodies.

Your Directors also acknowledge the valuable support extended by the shareholders and stakeholders for their confidence in the Company.

Your Directors place on record their appreciation for the dedication, commitment, and hard work of all employees ("Sonatians"), whose continued efforts have enabled the Company to achieve consistent performance during the financial year under review.

FOR AND ON BEHALF OF THE BOARD

Srikar P Reddy
Director
DIN: 00001401

Place: Bengaluru
Date: 7th May, 2026

Annexure I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,

The Members,
Sonata Information Technology Limited,
No 208 T. V. Industrial Estate,
S. K. Ahire Marg, Worli,
Mumbai - 400 030.

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Sonata Information Technology Limited (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing Our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **[Not Applicable];**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **[The Company being a material subsidiary of Sonata Software Limited, certain employees of the Company have been categorised as Designated Persons and are covered by the Code of Conduct under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of Sonata Software Limited**];

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 **[Not Applicable];**

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**[Not Applicable];**

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**[Not Applicable].**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable].**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **[Not Applicable];** and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations,2018 **[Not Applicable]**.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Applicable to the extent applicable to Material Subsidiary Company]**;

(vi) The Laws as are applicable specifically to the Company are as under:

(a) The Information Technology Act, 2000 and the rules made thereunder;

(b) The Special Economic Zones Act, 2005 and the rules made thereunder;

(c) Software Technology Parks of India rules and regulations;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Applicable to the extent applicable to Material Subsidiary Company]**.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We, further report that during the audit period that the company

- Approved the payment of final dividend of ₹ 296.26/- per Equity Share amounting to ₹ 100 Crores for the financial year ended 31st March 2025, at its Annual General Meeting held on July 30, 2025 and
- Regularised the appointment of Ms. Mona N Desai (DIN: 03065966), as Director in the capacity of Independent Woman Director.

We, further report that during the audit period that the Board of Directors

- Approved the payment of First Interim Dividend of ₹ 59.25 /- per equity share, amounting to ₹ 20/- Crores at their meeting held on November 13, 2025 and
- Approved the payment of Second Interim Dividend of ₹ 59.25 /- per equity share, amounting to ₹ 20/- Crores at their meeting held on February 06, 2026.

We further report that during the audit period, the company has passed following Special Resolution at the Annual General Meeting held July 30, 2025:

1. Approving the giving of any loan, giving any guarantee or providing any security or acquiring by way of subscription, purchase or otherwise, the securities of any other Body Corporate, for an amount up to and not exceeding an amount up to ₹ 10,00,00,00,000/- (Rupees One Thousand Crore) only.

For GDR & Partners
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner

Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review
Certificate : 6014/2024
UDIN: F005553H000288583

Place : Bengaluru
Date : 7th May, 2026

To,

The Members,

Sonata Information Technology Limited,

No 208 T. V. Industrial Estate,

S. K. Ahire Marg, Worli,

Mumbai - 400 030.

Our report of even date is to be read along with this letterr.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For GDR & Partners
Company Secretaries
ICSI Firm Registration No: L2024KR016500

CS Nagendra D Rao
Partner

Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Review
Certificate : 6014/2024
UDIN: F005553H000288583

Place : Bengaluru
Date : 7th May, 2026

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR FY 2025-26

1. Brief outline on CSR Policy of the Company:

Your Company, through its CSR initiatives, aims to enhance value creation in society and in the communities in which it operates, through its services, conduct, and initiatives, so as to promote sustained development along with environmental responsibility.

The objective of the CSR Policy is to ensure that the Company operates its business in an economically, socially, and environmentally sustainable manner, while recognizing the interests of all its stakeholders and contributing meaningfully to the improvement of quality of life and economic well being of society at large.

2. Composition of CSR Committee

As on 31st March, 2026, the Committee comprised of the following Members:

Sl. No.	Name of Director	Designation/Nature of Directorship	No. of Meetings Held	No. of Meetings Attended
1	Ms. Mona Ninad Desai	Chairperson	4	4
2	Mr. P. Srikar Reddy	Member	4	4
3	Mr. Sujit Mohanty	Member	4	4
4	Mr. Samir Dhir*	Member	4	4

* Mr. Samir Dhir will cease to be a Director & member of the Committee w.e.f. close of business hours on 08th May, 2026.

3. Web link where Composition of CSR Committee, CSR Policy and CSR projects are disclosed:

- **Composition of CSR Committee:** Composition of Committees
- **CSR Policy:** CSR Policy
- **CSR Projects:** CSR Projects

4. The requirement relating to impact assessment of CSR projects under Rule 8(3) of the Companies (CSR Policy) Rules, 2014 is not applicable to the Company.

5. Details of CSR amount:

Particulars	Amount (₹ in lakhs)
Average Net Profit for last 3 Financial Years	20411.09
2% of Average Net Profit (CSR obligation)	408.22
Surplus arising out of CSR activities	Nil
Amount available for CSR (after setoff)	406.22

6. CSR Expenditure during FY 2025-26:

Particulars	Amount (₹ in lakhs)
Amount spent on CSR projects	394.30
Administrative overheads	19.71
Impact assessment	Not Applicable
Total CSR expenditure	414.01

7. CSR Spending Summary:

- Total amount spent: **₹ 414.01 lakhs**
- Amount unspent: **Nil**
- No amount was required to be transferred to:
  - Unspent CSR Account under Section 135(6), or
  - Fund specified under Schedule VII

8. Capital Assets created through CSR:

The Company has not created or acquired any capital assets through CSR expenditure during the financial year.

9. Excess CSR Spend (setoff):

Particulars	Amount ₹ in lakhs)
CSR obligation	406.22*
Total spent (including prior year surplus/excess adjustments)	416.10 (414.01+2.00)
Excess expenditure	7.79
Surplus from CSR activities	Nil
Net excess eligible for setoff	7.79

*After adjustment of excess spent in previous year (408.22-2.00)

10. Reporting Declaration:

The Board of Directors of the Company hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Sd/-
Sujit Mohanty
Managing Director & CEO
(DIN: 00001404)

Sd/-
Mona Ninad Desai
Chairperson of CSR Committee
(DIN: 03065966)

Place: Mumbai
Date: 7th May, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Sonata Information Technology Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sonata Information Technology Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (in which is included the financial information of 4 branches).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report 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 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 25 to the financial statements.

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 27 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 39 (iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

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

As stated in Note 34 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is the 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, except for:

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

Additionally, based on our examination, where audit trail (edit log) facility was enabled and operated in the preceding years at the application layer, the audit trail has been preserved 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 primary accounting software used for maintaining books of accounts, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at database layer for all relevant transactions recorded in such software.

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

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

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 remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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 : 26522796OLVKTX2214

Place: Mumbai
Date: 07 May 2026

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

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

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

(B) The Company does not hold any intangible assets, accordingly reporting under clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering information technology solution, software development services and re-selling software and hardware products of various companies. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans to its holding company and fellow subsidiary during the year, in respect of which the requisite information is as below. The Company has not granted any loans to firms, Limited Liability Partnerships and any other parties. The Company has also not made any investments, advances in the nature of loans or provided any guarantee or security to companies, firms, Limited Liability Partnerships and any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

₹ in Lakhs

Particulars	Loans
Aggregate amount during the year	
– Holding Company	27,300
– Fellow Subsidiary	1,740
Balance outstanding as at balance sheet date	
– Holding Company	7,980
– Fellow Subsidiary	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are loans given by the Company to M/s Sonata Software Limited (holding company) amounting to ₹ 27,300 Lakhs and M/s Sonata Software Solutions Limited (fellow subsidiary) amounting to ₹ 1,740 Lakhs, which are repayable on demand. As informed to us, the Company has not demanded repayment of loans during the year. However, M/s Sonata Software Limited (holding company) has repaid an amount of ₹ 19,320 Lakhs and M/s Sonata Software Solutions Limited (fellow subsidiary) has repaid the entire loan. Thus, there has been no default on the part of parties to whom money has been lent. The payment of interest has been regular. Further, the Company has not given any advances in the nature of loans to any other party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any other party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loan to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

₹ in Lakhs

	Related Parties
Aggregate of loans/advances in nature of loan	
- Repayable on demand	29,040
Percentage of loans/advances in nature of loan to the total loans	100%

Further, the Company has not given any advance in the nature of loan to any other party during the year.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ('"the Act"). In respect of loan given by the Company, in our opinion the provisions of Section 185 of the Act are not applicable and the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided, software and hardware products sold 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 by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of Duty of Customs.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income Tax and Goods and Services Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	29,686	Assessment Years 2002-03, 2003-04, 2007-08 to 2011-12	High Court, Bombay
Finance Act, 1994*	Service tax	2,523	Financial years 2010-2011 to 2013-2014	Deputy Comissioner of Commercial Taxes (Audit), Bangalore
Goods and Services Tax Act, 2017**	Goods and Services Tax	12	Financial year 2017-18	Joint Commissioner of GST (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	112	Financial year 2020-21	Deputy Commissioner of Commercial Taxes, Bangalore
Goods and Services Tax Act, 2017***	Excess ITC claimed	322	Financial Year 2021-22	Deputy Commissioner of GST, LTU Bengaluru

*Net of amount paid under protest of ₹ 2,500 lakhs.

**Net of amount paid under protest of ₹ 1 lakh.

*** Net of pre-deposit paid of ₹ 19 lakhs.

The amounts disclosed above do not include interest, and penalties and other charges that may accrue up to the final disposal of the disputes. Any such interest, penalty or other charges, if levied, would be in addition to the amounts disclosed above.

As explained to us, the Company does not have any disputed dues on account of Provident Fund, Employees state insurance, Duty of Customs, Cess or other Statutory dues.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has availed working capital loans of ₹ 5,155 Lakhs which is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us and on the basis of our examination of the records of the Company, such loans and interest thereon have been entirely repaid during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

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

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3 (ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, 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 : 26522796OLVKTX2214

Place: Mumbai
Date: 07 May 2026

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

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Sonata Information Technology Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date which includes internal financial controls with reference to financial information of 4 branches.

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

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to 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 : 26522796OLVKTX2214

Place: Mumbai
Date: 07 May 2026

Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	107	129
Right-of-use assets	36	517	667
Financial assets			
Other financial assets	4	265	1,371
Deferred tax assets (net)	16B	3,105	2,803
Income tax assets (net)	16A	13,570	10,775
Other non-current assets	5	332	315
Total non-current assets		**17,896**	**16,060**
Current assets			
Inventories	6	3,680	4,723
Financial assets	7		
Investments	7.1	16,410	11,573
Trade receivables	7.2	131,645	115,808
Cash and cash equivalents	7.3	24,073	17,407
Bank balances other than above	7.4	3,360	7,985
Loans	7.5	7,980	-
Other financial assets	7.6	2,128	2,481
Other current assets	8	2,674	1,611
Total current assets		**191,950**	**161,588**
Total assets		**209,846**	**177,648**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	338	338
Other equity	10	33,163	31,786
Total Equity		**33,501**	**32,124**
LIABILITIES			
Non-current liabilities			
Financial liabilities	11		
Lease liabilities	11.1	338	470
Total non-current liabilities		**338**	**470**
Current liabilities			
Financial liabilities	12		
Lease liabilities	12.1	265	294
Trade payables	12.2		
Total outstanding dues of micro enterprises and small enterprises		57	56
Total outstanding dues of creditors other than micro enterprises and small enterprises		163,664	136,532
Other financial liabilities	12.3	5,975	3,596
Other current liabilities	13	4,068	3,012
Provisions	14	540	83
Current tax liabilities (net)	15	1,438	1,481
Total current liabilities		**176,007**	**145,054**
Total equity and liabilities		**209,846**	**177,648**
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 07, 2026

For and on behalf of the Board of Directors of
Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Director
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2026

Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	17.1	780,355	734,772
Other income	17.2	4,551	4,003
Total income		**784,906**	**738,775**
EXPENSES			
Purchase of stock-in-trade (traded goods)	18.1	746,194	698,218
Changes in inventories of stock-in-trade	18.2	1,043	5,078
Employee benefits expense	19	7,418	7,358
Finance costs	20	532	630
Depreciation and amortization expense	21	331	312
Other expenses	22	5,171	2,974
Total expenses		**760,689**	**714,570**
Profit before tax		**24,217**	**24,205**
Tax expense			
Current tax	16A	5,688	6,056
Deferred tax	16A & 16B	567	146
Net tax expense		**6,255**	**6,202**
Profit for the year		**17,962**	**18,003**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans	30	(109)	(20)
(b) Income tax relating to items that will not be reclassified to profit/ (loss)	16A & 16B	27	5
		(82)	**(15)**
2. Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge	27	(3,345)	(283)
(b) Income tax relating to items that will be reclassified to profit/(loss)	16A & 16B	842	71
		(2,503)	**(212)**
Total other comprehensive income for the year, net of tax		**(2,585)**	**(227)**
Total comprehensive income for the year		**15,377**	**17,776**
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	33	532.19	533.39
Summary of material accounting policies	**2**		

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Director
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2026

Statement of Cash flows

₹ in Lakhs

		For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		**24,217**	**24,205**
Adjustments for :			
Depreciation and amortization expense		331	312
Finance costs		532	630
Impairment loss/(gain) recognised on trade receivable		118	-
Provisions/ liabilities no longer required written back		(1)	(10)
Interest income		(736)	(2,009)
Net (gain) / loss on sale of fixed assets / scrapped		-	11
Net (gain) on investments carried at fair value through profit and loss		(1,623)	(1,387)
Net unrealized foreign exchange (gain) / loss		(824)	875
Net unrealized (gain)/loss on derivatives carried at fair value through profit or loss		(517)	(706)
Gain on termination of lease		(14)	(1)
Operating profit before working capital changes		**21,483**	**21,920**
Changes in operating assets and liabilities:			
Increase in trade receivables		(15,027)	(11,461)
Decrease in inventories		1,043	5,078
Increase in other financial assets non-current		(33)	(8)
(Increase)/decrease in other financial assets		(167)	699
Increase in other non-current assets		(18)	(89)
Increase in other current assets		(1,064)	(728)
Increase in trade payables		27,511	14,802
Decrease in other non-current financial liabilities		-	(921)
(Decrease)/increase in other financial liabilities		(1,186)	2,380
(Decrease)/increase in other current liabilities		948	(11,522)
Increase in provisions		457	6
Net cash flow from operating activities before taxes:		**33,947**	**20,156**
Income taxes paid (net of refunds)		(8,364)	(5,745)
Net cash flow from operating activities	**(A)**	**25,583**	**14,411**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including capital work-in-progress and capital advances		(10)	(87)
Purchase of investments		(622,782)	(503,455)
Proceeds from sale of investments		619,568	502,788
Proceeds from sale of bonds		-	4,295
Inter corporate loans given		(29,040)	(408)
Inter corporate loans recovered		21,060	408
Investment in bank deposits		(7,955)	(8,181)
Proceeds from maturity of bank deposits		13,608	14,711
Interest received		675	1,360
Net cash flow from / (used in) investing activities	**(B)**	**(4,876)**	**11,431**

Statement of Cash Flows

₹ in Lakhs

		For the year ended March 31, 2026	For the year ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		-	1,694
Repayment of short-term borrowings		-	(6,570)
Inter corporate borrowings taken		-	3,250
Inter corporate borrowings repaid		-	(3,250)
Payment on lease liabilities		(329)	(292)
Payment of dividend		(14,000)	(13,000)
Interest paid		(457)	(465)
Net cash used in financing activities	**(C)**	**(14,786)**	**(18,633)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**5,921**	**7,209**
Opening cash and cash equivalents		17,407	10,354
Exchange difference on translation of foreign currency cash and cash equivalents		745	(156)
Closing cash and cash equivalents		**24,073**	**17,407**
Cash and cash equivalents at the end of the year comprises: (Refer note 7.3)			
Balances with banks			
In Current accounts		13,668	5,567
In EEFC accounts		10,375	2,335
In deposit accounts with original maturity of less than 3 months		30	9,505
		24,073	**17,407**

Refer note 36 for changes in lease liabilities arising from financing activities and for non-cash financing activities. There are no non-cash changes in inter corporate borrowings and working capital demand loan.

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 07, 2026

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Director
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2026

Statement of Changes in Equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 9)	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**338**	**338**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	338	338
Changes in equity share capital during the year	-	-
Balance at the end of the year	**338**	**338**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus				Other comprehensive income	Total other equity
	Capital redemption reserve	General reserve	Retained earnings	Remeasurement of the defined benefit plans	Effective portion of cash flow hedges	
Balance as at April 1, 2024	**262**	**450**	**26,618**	**(328)**	**8**	**27,010**
Profit for the year			18,003			18,003
Other comprehensive income (net of tax)				(15)	(212)	(227)
Total comprehensive income for the year	**-**	**-**	**18,003**	**(15)**	**(212)**	**17,776**
Transactions with owners of the Company						
Contributions and distributions						
Payment of cash dividends			(13,000)			(13,000)
Balance as at March 31, 2025	**262**	**450**	**31,621**	**(343)**	**(204)**	**31,786**
Balance as at April 1, 2025	**262**	**450**	**31,621**	**(343)**	**(204)**	**31,786**
Profit for the year			17,962			17,962
Other comprehensive income (net of tax)				(82)	(2,503)	(2,585)
Total comprehensive income for the year	**-**	**-**	**17,962**	**(82)**	**(2,503)**	**15,377**
Transactions with owners of the Company						
Contributions and distributions						
Payment of cash dividends			(14,000)			(14,000)
Balance as at March 31, 2026	**262**	**450**	**35,583**	**(425)**	**(2,707)**	**33,163**

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
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Date : May 07, 2026

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2026

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

1 COMPANY OVERVIEW

Sonata Information Technology Limited ("SITL" or the "Company") is a Company primarily engaged in the business of providing Information Technology Solutions, software development services and re-selling products of companies such as Microsoft, IBM and Oracle etc. to its customers in India and outside India.

The Company is a public limited company incorporated and domiciled in India with its registered office at Mumbai and operationally headquartered at Bengaluru. SITL is a wholly owned subsidiary of Sonata Software Limited. The financial statements have been approved for issue by the Company's Board of Directors on May 07, 2026.

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

2 MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

b. Basis of measurement

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

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

Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to 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. The functional currency of its branches is as per its respective domicile currency.

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

d. Use of judgement, estimates and assumptions

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

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

i) 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 (o)

ii) Contingent liabilities

Refer note 2.2 (q)

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 (i)

iv) Other estimates

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

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. Inventories

Inventories are measured at the lower of cost and the net realizable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, and other issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

d. 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 equipment (Hardware)	3 years
Plant and equipment (Others)	15 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.

e. Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the 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 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.

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

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

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

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

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

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

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

Non-derivative financial liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

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

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

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. Leases

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

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

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

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

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

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.

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 administer 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 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 period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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

(a) in case of accumulated compensated absences, when employees render the services that increases their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

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

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 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.

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

k. Revenue recognition

The 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.

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

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

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

a) 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 and unit of work based contracts

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

c) Maintenance contracts

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

Contract assets and contract liabilities

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

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

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 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.

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.

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 profit or loss on disposal.

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

n. Finance income and expense

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

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 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 recognised as expense (or income) in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the statement of profit and loss in the same line item as allowance for expected credit loss.

Credit impaired financial assets:

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

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

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

Write off - the gross carrying amount of a financial asset is written off when the 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 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").

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 to settle the obligation or the amount cannot be reliably estimated.

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, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

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

3. Property, plant and equipment

₹ in Lakhs

Tangible assets					
Particulars	Leasehold improvements	Plant and equipment	Office equipments	Furniture and fixtures	Total
As at April 1, 2024	**112**	**312**	**35**	**36**	**495**
Additions	-	83	2	2	87
Disposal / Write off	(97)	(104)	(14)	(10)	(225)
As at March 31, 2025	**15**	**291**	**23**	**28**	**357**
As at April 1, 2025	**15**	**291**	**23**	**28**	**357**
Additions	-	32	7	1	40
Disposal / Write off	-	(1)	(1)	-	(2)
As at March 31, 2026	**15**	**322**	**29**	**29**	**395**
Accumulated depreciation					
As at April 1, 2024	**112**	**213**	**31**	**24**	**380**
Depreciation charge during the year	-	58	1	3	62
Depreciation on disposals / write off	(97)	(95)	(13)	(9)	(214)
As at March 31, 2025	**15**	**176**	**19**	**18**	**228**
As at April 1, 2025	**15**	**176**	**19**	**18**	**228**
Depreciation charge during the year	-	59	1	2	62
Depreciation on disposals / write off	-	(1)	(1)	-	(2)
As at March 31, 2026	**15**	**234**	**19**	**20**	**288**
Net carrying value					
As at March 31, 2026	**-**	**88**	**10**	**9**	**107**
As at March 31, 2025	**-**	**115**	**4**	**10**	**129**

Non-current

4. Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Balance held as margin money *	108	1,238
Security deposits	157	133
Total	**265**	**1,371**

* Held as margin money by banks against bank guarantees

5. Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Prepaid expenses	4	13
Other deposits	3	3
Balances with government authorities		
Receivable from customs authority	219	219
Receivable from GST authority	105	79
Other recoverables	1	1
Total	**332**	**315**

Current

6. Inventories

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-trade - Hardware/Software products and licenses	3,680	4,723
Total	**3,680**	**4,723**

7. Financial assets

7.1 Investments

Investments carried at fair value through profit and loss:

Investments in mutual funds (Traded, quoted)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Units	₹ in Lakhs	No of Units	₹in Lakhs
Bandhan Money Manager Fund - Direct Plan - Growth	-	-	6,711,729	2,873
LIC Liquid Fund - Direct Plan - Growth	30,043	1,503	51,059	2,404
Axis Money Market Fund - Direct Plan - Growth	-	-	107,828	1,527
HDFC Money Market Fund - Direct Plan - Growth	-	-	26,710	1,527
Tata Money Market Fund - Direct Plan - Growth	-	-	32,381	1,527
Bandhan Fixed Maturity Plan	-	-	9,999,500	1,010
Kotak Liquid Fund - Direct Plan - Growth	-	-	13,455	705
Sundaram Liquid Fund -Direct Plan - Growth	41,403	1,008	-	-
UTI Liquid Fund - Direct Plan - Growth	22,326	1,008	-	-
SBI Liquid Fund - Direct Plan - Growth	41,977	1,808	-	-
Nippon Liquid Fund - Direct Plan - Growth	23,803	1,605	-	-
Edelweiss Liquid Fund - ABCL - Growth	29,123	1,015	-	-
Mirae Liquid Fund - Direct Plan - Growth	34,651	1,008	-	-
ABSL Liquid Fund - Direct Plan - Growth	249,587	1,111	-	-
Baroda Liquid Fund - Direct Plan - Growth	34,803	1,105	-	-

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Units	₹ in Lakhs	No of Units	₹in Lakhs
HSBC Liquid Fund - Direct Plan - Growth	36,809	1,010	-	-
Mirae Liquid Fund - ABCL - Growth	45,963	1,314	-	-
DSP Liquid Fund - ABCL - Growth	36,262	1,412	-	-
Invesco Liquid Fund - Direct Plan - Growth	39,742	1,503	-	-
Total		**16,410**		**11,573**
Aggregate amount of quoted investments		16,410		11,573
Aggregate market value of quoted investments		16,410		11,573
Aggregate amount of impairment in value of investments		-		-
Investments carried at fair value through profit or loss		16,410		11,573
Investments carried at amortised cost		-		-

7.2 Trade receivables (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured *		
Billed		
Considered good	114,587	104,422
Less : Allowance for credit losses	(1,827)	(1,739)
Total	**112,760**	**102,683**
Trade receivables - credit impaired	229	238
Less : Allowance for credit losses	(229)	(238)
Total	**-**	**-**
Unbilled	18,885	13,125
Total	**131,645**	**115,808**

* 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 35.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 28.

Trade receivable ageing schedule

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026								
Undisputed trade receivables - considered good	18,885	90,742	21,524	1,581	367	367	6	133,472
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	168	61	229
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(418)	(551)	(343)	(142)	(535)	(67)	(2,056)
Total	**18,885**	**90,324**	**20,973**	**1,238**	**225**	**-**	**-**	**131,645**
As at March 31, 2025								
Undisputed trade receivables - considered good	13,125	86,997	16,039	494	853	39	-	117,547
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	177	16	45	238
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(574)	(494)	(129)	(680)	(55)	(45)	(1,977)
Total	**13,125**	**86,423**	**15,545**	**365**	**350**	**-**	**-**	**115,808**

7.3 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	13,668	5,567
In EEFC accounts	10,375	2,335
In deposit accounts with original maturity of less than 3 months *	30	9,505
Total	**24,073**	**17,407**

* 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.

7.4 Bank balances other than above

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months but less than 12 months	2,158	7,200
In earmarked accounts		
Balance held as margin money *	1,202	785
Total	**3,360**	**7,985**

* Held as margin money by bank against bank guarantees

7.5 Loans (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans and advances to related parties		
Inter-corporate deposits (Refer note 35)	7,980	-
Total	**7,980**	**-**

7.6 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits	69	82
Reimbursement of expenses receivable from related parties (Refer note 35)	329	118
Compensation right asset (Refer note 28)	1,706	1,739
Fair value of forward contracts (Refer note 27 & 28)	22	542
Other assets	2	-
Total	**2,128**	**2,481**

Information about the Company's exposure to credit, liquidity and market risks for other financial assets are included in note 28.

8. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Other deposits	223	174
Advances to employees	6	4
Prepaid expenses	72	85
Balances with government authorities		
VAT credit receivable	41	40
GST credit receivable	343	337
Other recoverables	1,989	971
Total	**2,674**	**1,611**

9. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized		
10,000,000 equity shares of ₹ 10/- each	**1,000**	**1,000**
(As at March 31, 2025 - 10,000,000 equity shares of ₹ 10/- each)		
Issued		
6,000,700 equity shares of ₹ 10/- each	**600**	**600**
(As at March 31, 2025 - 6,000,700 equity shares of ₹ 10/- each)		
Subscribed and paid-up		
3,375,394 equity shares of ₹ 10/- each	338	338
(As at March 31, 2025 - 3,375,394 equity shares of ₹ 10/- each)		
Total	**338**	**338**

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares with voting rights				
Number of shares outstanding at the beginning of the year	3,375,394	338	3,375,394	338
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	**3,375,394**	**338**	**3,375,394**	**338**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Equity shares with voting rights		
Sonata Software Limited (Holding Company) and its nominees	3,375,394	3,375,394
% of holding	100%	100%

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

Particulars	As at March 31, 2026	As at March 31, 2025
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	3,375,394	3,375,394
% of holding	100%	100%

v) Details of shares held by each promoter

Particulars	As at March 31, 2026	As at March 31, 2025
Sonata Software Limited (Holding Company) and its nominees		
No. of shares held	3,375,394	3,375,394
% of holding	100%	100%

vi) Distributions of dividend

During the year ended March 31, 2026, on account of final dividend for the year ended March 31, 2025 the Company has incurred a net cash outflow of ₹ 10,000 lakhs and interim dividend of ₹ 4,000 lakhs for the year ended March 31, 2026 (During the year ended March 31, 2025, on account of final dividend for the year ended March 31, 2024 the Company has incurred a net cash outflow of ₹ 9,000 lakhs and interim dividend of ₹ 4,000 lakhs for the year ended March 31, 2025)

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.

10. Other equity

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Capital redemption reserve	262	262
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of Company's own share pursuant to Section 69 of the Companies Act, 2013.		
General reserve	450	450
This represents appropriation of profit by the Company.		
Retained earnings		
Opening balance	31,621	26,618
Profit for the year	17,962	18,003
Less :		
Dividend	(14,000)	(13,000)
Closing balance	**35,583**	**31,621**
Retained earning comprises of the amounts that can be distributed as dividends to its equity share holders.		

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Other Comprehensive Income		
Remeasurement of the defined benefit plans		
Opening balance	(343)	(328)
For the year, (net of tax)	(82)	(15)
Closing balance	**(425)**	**(343)**
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.		
Effective portion of cash flow hedges		
Opening balance	(204)	8
Exchange differences on cash flow hedges (net of tax)	(2,503)	(212)
Closing balance	**(2,707)**	**(204)**
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.		
Total	**33,163**	**31,786**

11. Non-current financial liabilities

11.1 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 36)	338	470
Total	**338**	**470**

12. Current financial liabilities

12.1. Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 36)	265	294
Total	**265**	**294**

12.2 Trade payables*

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 26)	57	56
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	163,664	136,532
Total	**163,721**	**136,588**

* 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. For the amounts payable to related parties refer note 35.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 28.

Trade payables ageing schedule:

₹ in Lakhs

Particulars	Accrued expenses	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	-	28	29	-	-	-	57
Total outstanding dues of creditors other than micro enterprises and small enterprises	40,493	100,991	21,802	13	25	340	163,664
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**40,493**	**101,019**	**21,831**	**13**	**25**	**340**	**163,721**
As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	-	7	49	-	-	-	56
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,881	80,462	26,752	91	78	268	136,532
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**28,881**	**80,469**	**26,801**	**91**	**78**	**268**	**136,588**

12.3 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Payable on acquisition of property, plant and equipment	37	7
Fair value of forward contracts (Refer note 27 & 28)	4,097	561
Reimbursable expenses payable to related party (Refer note 35)	271	208
Employee benefits payable *	1,300	1,338
Other liabilities	270	1,482
Total	**5,975**	**3,596**

* It includes compensation payable to key management personnel of the Company. For the amounts payable to key management personnel refer note 35.
Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 28.

13. Other current liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities	134	789
Other payables		
Statutory remittances	3,234	1,468
Advances from customers	93	176
Others	607	579
Total	**4,068**	**3,012**

14. Provisions

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for compensated absences (Refer note 30)	140	60
Provision for gratuity (Refer note 30)	400	23
Total	**540**	**83**

15. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net of advance tax ₹ 12,224 (for March 31, 2025 is ₹ 12,120))	1,438	1,481
Total	**1,438**	**1,481**

16A. Income taxes

The income tax asset is ₹ 13,570 Lakhs (net of provision for tax of ₹ 27,789 Lakhs) as at March 31, 2026 and ₹ 10,775 Lakhs (net of provision for tax of ₹ 21,989 Lakhs) as at March 31, 2025.

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	5,688	6,056
Deferred Tax:		
In respect of current year	567	146
Total Income tax expense recognised in the statement of profit and loss	**6,255**	**6,202**
(b) Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
On remeasurement of defined benefit plan	(27)	(5)
On net movement on effective portion of cash flow hedges	(842)	(71)
Total	**(869)**	**(76)**

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	24,217	24,205
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	6,095	6,092
Tax effect of:		
Items that are non- deductible in determining taxable profit	130	88
Income not taxable as per income tax Act, 1961	-	(10)
Effect relating to prior years	42	9
Others	(12)	23
Income tax expense recognised in the statement of profit and loss	**6,255**	**6,202**

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

The Company is also subject to tax on income attributable to its permanent establishments in foreign jurisdictions due to operation of its foreign branches.

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

16B. Deferred tax assets

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

₹ in Lakhs

Particulars	As at April 1, 2025	Recognised in profit & loss	Recognised in other comprehensive income	As at March 31, 2026
Property, plant and equipment	20	5	-	25
Allowances for credit losses	60	(30)	-	30
Right of use assets	(163)	38	-	(125)
Lease liabilities	192	(40)	-	152
Defined benefit plans (Items that will not be reclassified to profit/(loss))	196	-	27	223
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	(19)	-	842	823
Expenses allowable on tax deduction	2,554	(423)	-	2,131
Others, including employee and other payables	(37)	(117)	-	(154)
Total	**2,803**	**(567)**	**869**	**3,105**

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

₹ in Lakhs

Particulars	As at April 1, 2024	Recognised in Profit & Loss	Recognised in other comprehensive income	As at March 31, 2025
Property, plant and equipment	17	3	-	20
Allowances for credit losses	40	20	-	60
Right of use assets	(186)	23	-	(163)
Lease liabilities	230	(38)	-	192
Defined benefit plans (Items that will not be reclassified to profit/(loss))	191	-	5	196
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	(90)	-	71	(19)
Expenses allowable on tax deduction	2,618	(64)	-	2,554
Others, including employee and other payables	53	(90)	-	(37)
Total	**2,873**	**(146)**	**76**	**2,803**

17.1 Revenue from operations*

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of software/hardware products and licenses	776,401	733,186
Software services	3,954	1,586
Total	**780,355**	**734,772**

* Refer note 23 for disaggregate revenue information and refer note 35 for related parties revenue from operations.

17.2 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income *	736	2,009
Net gain on investments carried at fair value through profit or loss	1,623	1,387
Net (loss) on derivatives carried at fair value through profit or loss	(2,520)	(395)
Net gain on foreign currency transactions and translations	4,697	991
Other non-operating income		
Liabilities/provisions no longer required written back	1	10
Gain on termination of Lease	14	1
Total	**4,551**	**4,003**
*Interest income comprises of:		
Interest on bank balances and bank deposits	363	1,065
Interest on Inter-corporate deposits (Refer note 35)	205	2
Interest on financial assets carried at amortised cost	5	4
Interest income on Income tax refund	163	938

18.1 Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade (traded goods)	746,194	698,218
Total	**746,194**	**698,218**

18.2 Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Stock		
Stock-in-trade - hardware/software product and licenses	4,723	9,801
	4,723	**9,801**
Closing Stock		
Stock-in-trade - hardware/software product and licenses	3,680	4,723
	3,680	**4,723**
(Increase) / decrease in inventories	**1,043**	**5,078**

19. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	6,665	6,915
Contributions to provident and other funds (Refer note 30)	690	388
Staff welfare expenses	63	55
Total	**7,418**	**7,358**

20. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	1	16
Inter corporate borrowings (Refer note 35)	-	3
Lease liabilities (Refer note 36)	75	82
Others	-	83
Other borrowing costs (Includes transactions with related parties - refer note 35)	456	446
Total	**532**	**630**

21. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (Refer note 3)	62	62
Depreciation of right of use assets (Refer note 36)	269	250
Total	**331**	**312**

22. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel	44	13
Rent (includes transactions with related parties - Refer note 35)	252	192
Repairs and maintenance - Machinery	2	1
Insurance	380	200
Rates and taxes	139	7
Communication cost	51	31
Facility maintenance	108	98
Travelling and conveyance expenses	244	228
Sales commission	855	749
Professional and technical fees	572	287
Software project fees (Refer note 35)	69	186
Legal fees	6	2
Software license fees	111	97
Insourcing professional fees	1,488	183
Expenditure on corporate social responsibility (Refer note 32)	408	338
Payments to auditors (Refer note below)	29	40
Net loss on sale of fixed assets scrapped	-	11
Impairment loss/(gain) recognised on trade receivable	118	-
Miscellaneous expenses	295	311
Total	**5,171**	**2,974**
Note: Payment to auditors comprises (net of input tax credit):		
Statutory audit	25	22
Other services	3	16
Reimbursement of expenses	1	2
	29	**40**

23. Revenue from operations

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 by contract type. The 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, 2026			For the year ended March 31, 2025		
	India	Other than India	Total	India	Other than India	Total
Revenue from software product and licenses at a point in time *	633,611	142,790	776,401	599,405	133,781	733,186
Revenue from software services (over the period)						
Time and Material	526	3,428	3,954	629	957	1,586
Total	**634,137**	**146,218**	**780,355**	**600,034**	**134,738**	**734,772**

* Includes transactions with related parties - Refer note 35

24. Capital commitments

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided	73	-

25. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debt		
a) Disputed demands of Income-tax	29,687	29,687
b) Others	65	65

Details of disputed demands of Income-tax primarily relates to:

(i) Disallowance of Inter-Company service charges and costs for deputation of personnel.

Sonata Software Limited, the Holding Company charges the Company for certain support services rendered and for the cost of project personnel deputed. These support services and costs for deputation are being disallowed by the Income-tax department while computing taxable profits of the Company. The Company has challenged these disallowances and consequent demands at appellate levels and is confident of a favorable outcome.

Details of Demands and Forums where they are pending are:

i. ₹ 5,521 lakhs (As at March 31, 2025 ₹ 5,521 lakhs) for the financial years 2001-02, 2006-07 to 2010-11. The Company has received favorable orders from the Income-tax Appellate Tribunal ("ITAT"). The Income-tax department has preferred an appeal to the Honorable High Court of Bombay.

ii. ₹ 522 lakhs (As at March 31, 2025 ₹ 522 lakhs) for the financial year 2002-03. The Income-tax department's appeal to the Honorable High Court of Bombay was time barred and hence dismissed. The Income-tax department had preferred a Special Leave Petition on the said

dismissal to the Honorable Supreme Court of India which had referred the petition back to the Honorable High Court of Bombay to reconsider its decision. The Honorable High Court of Bombay admitted the appeal.

(ii) Disallowance of payments made for purchase of software on which Income-tax was not withheld.

Payment in the nature of Royalty on which Income-tax have not been deducted at source are subject to disallowance as an 'expense' as per Sections 40(a)(i) and 40(a)(ia) while computing taxable profits of the Company. The Income-tax department, holding payments for purchase of software as "Royalty" disallowed the expense while computing taxable profits of the Company.

The Honorable High Court of Karnataka had given an unfavorable decision and held the payments for purchase of software as "Royalty". However, the said demands which are consequential and penal in nature do not arise automatically and there are multiple legal precedents in favor of the Company. Based on Honourable Supreme Court favorable order with respect to withholding tax demand, the Company is confident of a favorable outcome on these consequential demands.

Details of demands raised and the forum where these are pending are:

i. ₹ 23,644 lakhs (As at March 31, 2025 ₹ 23,644 lakhs) of tax demand for the financial years 2001-02, 2002-2003, 2006-07 and 2007-08. The Company had received a favorable order from ITAT. The Income-tax department had preferred an appeal to the Honorable High Court of Bombay.

c) In addition, the Company in the ordinary course of business receives various claims from its customers and other business partners.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash flow in respect of the above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities. Based on review of such matters and the information available at this time, the Company does not anticipate that any of these including the tax litigations, will result in a settlement that will have a material adverse impact on its financial statements. The Company has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in the financial statements.

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, 2026 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. This information as required under Micro, small and medium enterprises development Act, 2006 [MSMED] has been determined to the extent such parties have been identified on the basis of information available with the Company are as below:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	57	56
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accouting year	-	-

₹ in Lakhs

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

27. Financial instruments

The carrying value of financial instruments by categories as at March 31, 2026 are 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 & 7.6	-	-	226	226
Investments in mutual funds (quoted)	7.1	16,410	-	-	16,410
Trade receivable	7.2	-	-	131,645	131,645
Cash and cash equivalents	7.3	-	-	24,073	24,073
Bank balances other than above	4 & 7.4	-	-	3,468	3,468
Loans	7.5	-	-	7,980	7,980
Other financial assets	7.6	-	-	2,037	2,037
Forward contracts	7.6	1	21	-	22
Total		**16,411**	**21**	**169,429**	**185,861**
Financial liabilities					
Trade payables	12.2	-	-	163,721	163,721
Lease liabilities	11.1 & 12.1	-	-	603	603
Other financial liabilities	12.3	-	-	1,878	1,878
Forward contracts	12.3	413	3,684	-	4,097
Total		**413**	**3,684**	**166,202**	**170,299**

The carrying value of financial instruments by categories as at March 31, 2025 are 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 & 7.6	-	-	215	215
Investments in mutual funds (quoted)	7.1	11,573	-	-	11,573
Trade receivable	7.2	-	-	115,808	115,808
Cash and cash equivalents	7.3	-	-	17,407	17,407
Bank balances other than above	4 & 7.4	-	-	9,223	9,223
Other financial assets	7.6	-	-	1,857	1,857
Forward contracts	7.6	333	209	-	542
Total		**11,906**	**209**	**144,510**	**156,625**

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total Carrying value
Financial liabilities					
Trade payables	12.2	-	-	136,588	136,588
Lease liabilities	11.1 & 12.1	-	-	764	764
Other financial liabilities	12.3	-	-	3,035	3,035
Forward contracts	12.3	34	527	-	561
Total		**34**	**527**	**140,387**	**140,948**

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

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

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

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, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value hierarchy

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

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

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

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

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

₹ in Lakhs

Particulars	Fair value as at		Fair value hierarchy
	March 31, 2026	March 31, 2025	
Investments in mutual funds (quoted) - Refer note 7.1	16,410	11,573	Level 1
Foreign currency forward contracts (assets) - Refer note 7.6	22	542	Level 2
Foreign currency forward contracts (liabilities) - Refer note 12.3	4,097	561	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, 2026	Year ended March 31, 2025
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(3,345)	(283)
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	(1,228)	(435)

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, 2026	Year ended March 31, 2025
Balance at the beginning of the year	(204)	8
Unrealized gain or (loss) on cash flow hedging derivatives during the year	403	152
Net (loss) reclassified into statement of profit and loss on occurrence of hedged transactions	(3,748)	(435)
Deferred tax asset / (liability)	842	71
Cash flow hedging reserve (net of tax)	**(2,707)**	**(204)**

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

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Designated derivative instruments (Sell):	**Amount in Lakhs**		**₹ in Lakhs**	
In USD	870	582	80,887	50,864
In GBP	96	90	12,113	9,510
In AUD	14	7	909	404
In EUR	3	-	344	-

The foreign exchange forward and option contracts mature anywhere between 0-5 years.

Average rate of coverage:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in Lakhs	Weighted Average Rate (₹)	Amount in Lakhs	Weighted Average Rate (₹)
USD	870	92.99	582	87.41
GBP	96	126.18	90	105.53
AUD	14	65.88	7	57.74
EUR	3	107.60	-	-

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

Particulars	Less than 6 months		6 - 12 months		More than 1 year	
	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)
As at March 31, 2026						
USD	22,338	92.94	27,623	91.72	30,926	94.20
GBP	12,113	126.18	-	-	-	-
AUD	909	65.88	-	-	-	-
EUR	344	107.60	-	-	-	-
As at March 31, 2025						
USD	32,264	86.66	9,604	86.38	8,996	91.44
GBP	9,510	105.53	-	-	-	-
AUD	404	57.74	-	-	-	-

28. Financial risk management

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

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

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

i) Credit risk

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

Trade and other receivables

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

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

₹ in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from customers having more than 10% of total revenue	98,989	177,796
Number of customers	1	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, 2026		As at March 31, 2025	
	India	Other than India	India	Other than India
Trade receivables	107,949	25,752	94,047	23,738
Allowance for credit loss	1,703	353	1,626	351
% of credit loss to trade receivables	1.58%	1.37%	1.73%	1.48%

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, 2026	As at March 31, 2025
Balance at the beginning of the year	1,977	2,755
Allowance for expected credit loss (net)*	85	(778)
Bad debts written off during the year	(6)	-
Balance at the end of the year	**2,056**	**1,977**

* The Company has reversed compensation right asset amounting to ₹ 33 Lakhs against the allowance for expected credit loss. The Company has disclosed the net allowance for expected credit loss of ₹ 118 Lakhs in note 22. (As at March 31, 2025: The Company has reversed compensation right asset amounting to ₹ 778 Lakhs against the allowance for expected credit loss. The Company has disclosed the remaining amount of ₹ Nil as allowance for expected credit loss in note 22). (Refer note 2.2 (o) for the accounting policy on compensation right assets)

Investments and bank balances

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

ii) Liquidity risk

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

The Company has availed working capital demand loan/overdraft facility from various banks for working capital purposes and secured against Inventories, and receivables of the Company under the loan arrangement which carries interest rate between 6.72% to 7.85% (March 31, 2025: 6.75% to 14.40%) . The Company has availed working capital loans of ₹ 5,155 lakhs (March 31, 2025: ₹ 6,674 lakhs) and the same have been repaid during the year. The outstanding balance as on March 31, 2026 and March 31, 2025 is Nil.

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, 2026	As at March 31, 2025
Cash and cash equivalents	24,073	17,407
Bank balances other than above	3,360	7,985
Investments in mutual funds (quoted)	16,410	11,573
Trade receivables	131,645	115,808
Loans	7,980	-
Other current financial assets	2,106	1,939
Derivative financial instruments - cash flow hedge	22	542
Other current assets	2,674	1,611

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

₹ in Lakhs

Particulars	As at March 31, 2026			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	163,721	-	-	163,721
Lease liabilities	277	110	389	776
Other financial liabilities	1,878	-	-	1,878
Derivative financial instruments - cash flow hedge	4,097	-	-	4,097

₹ in Lakhs

Particulars	As at March 31, 2025			
	Less than 1 year	1-2 years	2 years & above	Total
Trade payables	136,588	-	-	136,588
Lease liabilities	309	261	386	956
Other financial liabilities	3,035	-	-	3,035
Derivative financial instruments - cash flow hedge	561	-	-	561

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). As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and this foreign currency has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company reviews on a periodic basis to formulate the strategy for foreign currency risk management.

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

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

₹ in Lakhs

Particulars	As at March 31, 2026				For the year ended March 31, 2026		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	94,253	22	4,097	Fair value of forward contracts under other financial assets and other financial liabilities.	(3,345)	(1,228)	Revenue from operations
						(2,520)	Other income

₹ in Lakhs

Particulars	As at March 31, 2025				For the year ended 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	60,778	542	561	Fair value of forward contracts under other financial assets and other financial liabilities.	(283)	(435)	Revenue from operations
						(395)	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 ₹ 974 lakhs increase and decrease in the Company's net profit as at March 31, 2026;

b) an approximately ₹ 608 lakhs increase and decrease in the Company's net profit as at March 31, 2025;

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

Exposure currency:

₹ in Lakhs

As at March 31, 2026	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	24,090	773	3	10
Cash and cash equivalents	9,967	407	1	-
Liabilities				
Trade payables	7,971	82	32	2
Net assets/(liabilities)	**26,086**	**1,098**	**(28)**	**8**

₹ in Lakhs

As at March 31, 2025	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	37,077	104	7	6
Cash and cash equivalents	1,162	29	-	-
Liabilities				
Trade payables	6,130	18	-	-
Net assets/(liabilities)	**32,109**	**115**	**7**	**6**

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

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

₹ in Lakhs

Currencies	March 31, 2026	March 31, 2025
USD	261	321
GBP	11	1
EUR	-	-
Other currencies	-	-
Total	**272**	**322**

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.

29. 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, 2026	As at March 31, 2025
Total equity attributable to the equity share holders of the Company	33,501	32,124
As percentage of total capital	98%	98%
Total lease liabilities	603	764
Total borrowings and lease liabilities	**603**	**764**
As a percentage of total capital	2%	2%
Total capital (borrowings and equity)	**34,104**	**32,888**

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.

30. Employee benefit plans

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

Based on the requirements of New Labour Codes and relevant Accounting Standards, the Company has estimated the liability for employee benefits, which has resulted in an incremental expense, on account of recognition of past service costs. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Company has presented the same under 'Employee benefits expense' in the statement of profit and loss for the year ended March 31, 2026 consisting of gratuity of ₹ 278 lakhs and compensated absences of ₹ 55 lakhs.

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

i) Defined contribution plans

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

a) Provident fund

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

Provident fund contributions amounting to ₹ 148 lakhs (for the year ended March 31, 2025 ₹ 143 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:

₹ in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Superannuation (as part of contribution to provident fund and other funds in note 19 Employee benefits expense)	149	146
National Pension Scheme (as part of contribution to provident fund and other funds in note 19 Employee benefits expense)	20	18
Other contributions (as part of contribution to provident fund and other funds in note 19 Employee benefits expense)	11	-

ii) Defined benefit plans - Gratuity

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

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

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

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

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

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

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

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

As per valuation

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

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.14%	6.79%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	7.14%	6.79%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Weighted Average Duration of the Defined Benefit Obligation	3.45 years	4 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, 2026	Year ended March 31, 2025
Service cost:		
Current service cost	82	75
Past service cost *	278	-
Net interest expense	2	6
Components of defined benefit costs recognised in statement of profit and loss	**362**	**81**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	69	(23)
Actuarial (gains) / losses arising from changes in financial assumptions	(24)	22
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	64	21
Components of defined benefit costs recognised in other comprehensive income	**109**	**20**

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

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(1,580)	(1,155)
Fair value of plan assets	1,180	1,132
Net (liability) / assets arising from defined benefit obligation	**(400)**	**(23)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,155	996
Current service cost	82	75
Past service cost *	278	-
Interest cost	78	71
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	(24)	22
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	64	21
Benefits paid	(53)	(30)
Closing defined benefit obligation	**1,580**	**1,155**
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	1,132	909
Interest income	76	65
Return on plan assets (excluding amounts included in net interest expense)	(69)	23
Contributions from the employer to Gratuity Fund	94	165
Benefits paid	(53)	(30)
Closing fair value of plan assets	**1,180**	**1,132**

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

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

Particulars	As at March 31, 2026	As at March 31, 2025
Insurer Managed Funds	100%	100%
Category of funds :		
Secure Fund	36.33%	34.56%
Defensive Fund	30.16%	30.72%
Balanced fund	33.51%	34.72%

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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(64)	70	(52)	57
Future salary growth (1% movement)	75	(69)	63	(58)
Employee turnover rate (1% movement)	6	(6)	3	(4)

The Company expects to contribute ₹ 547 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, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	1,580	1,155	996	823	715
Fair value of plan assets	1,180	1,132	909	782	702
Surplus / (deficit)	(400)	(23)	(87)	(41)	(12)
Experience adjustments on plan liabilities - (gain)/losses	64	21	50	53	157
Return on plan assets (excluding amounts included in net interest expense)	(69)	23	(37)	(142)	2

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	389	132
1-2 years	246	259
2-3 years	218	164
3-4 years	204	153
4-5 years	139	139
5 years and Above	1,107	839

The Group (Sonata Software Limited and subsidiaries) has established an income tax approved irrevocable gratuity 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, 2026	As at March 31, 2025
Discount rate(s)	7.14%	6.79%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2%	2%

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	140	60
Present value of compensated absences	**140**	**60**

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

₹ in Lakhs

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6)	6	(3)	3
Future salary growth (1% movement)	6	(6)	3	(3)
Withdrawal rate (1% movement)	(3)	3	(3)	4

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	41	9
1-2 years	21	10
2-3 years	19	9
3-4 years	17	8
4-5 years	10	6
5 years and above	45	21

31. 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. re-selling of software/hardware products and licenses including related services. Customers are pre-dominently situated in india i.e. only one geographical segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and one 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.

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 healthcare, education, digital Skilling, women's education, diversity & inclusion, special education to empower hearing-impaired students, environment, tree plantation, wildlife conservation, cultural heritage, livelihood support.

(i) Gross amount required to be spent by the Company and approved by Board of Directors during the year is ₹ 408 lakhs (Previous Year is ₹ 338 lakhs)

(ii) Amount spent during the year is ₹ 414 lakhs (Previous year is ₹ 334 lakhs)

₹ in Lakhs

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	414	-	414	334	-	334
Total	**414**	**-**	**414**	**334**	**-**	**334**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	(2)	(6)
Add: Amount required to be spent during the year	408	338
Less: Amount spent during the year	414	334
Closing balance [short / (excess) spent]	**(8)**	**(2)**

33. Earnings per share

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit after tax attributable to equity shareholders (a)	17,962	18,003
Weighted average number of equity shares outstanding during the year for basic EPS (b)	3,375,394	3,375,394
Weighted average number of equity shares outstanding during the year for diluted EPS (c)	3,375,394	3,375,394
Basic earning per share (a/b) (₹ in INR)	532.19	533.39
Diluted earning per share (a/c) (₹ in INR)	532.19	533.39

34. Distributions made and proposed (Refer note 9 & 10):

The Board of Directors at their meeting held on May 07, 2026 had declared final dividend of 2962.6% (₹ 296.26 per equity share of par value of ₹ 10 each), which is subject to approval of shareholders. The Board of Directors at their meeting held on November 13, 2025 had declared and paid an interim dividend of 592.5 % (₹ 59.25 per equity share of par value of ₹ 10 each). The Board of Directors at their meeting held on February 06, 2026 had declared and paid an interim dividend of 592.5 % (₹ 59.25 per equity share of par value of ₹ 10 each).

The Board of Directors at their meeting held on May 07, 2025 had declared final dividend of 2962.6 % (₹ 296.26 per equity share of par value of ₹ 10 each). The Board of Directors at their meeting held on July 31, 2024 had declared an interim dividend of 1118.50 % (₹ 118.50 per equity share of par value of ₹ 10 each).

35. Related party disclosure

i) Details of related parties :

Description of relationship	Names of related parties
(a) Holding Company	Sonata Software Limited
(b) Fellow subsidiary	Sonata Software Solutions Limited
	Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)
	Sonata Software North America Inc.
	Sonata Europe Limited
	Sonata Software Intercontinental Limited
	Encore IT Services Solutions Private Limited
(c) Post-employment benefit plan (Refer note 30)	Sonata Software Limited Gratuity Fund
	Sonata Software Officers' Superannuation Fund
(d) Key management personnel (KMP)	Mr. P Srikar Reddy, Chairperson
	Mr. Sujit Mohanty, Managing Director & CEO
	Mr. Samir Dhir, Director (resigned effective May 08, 2026)
	Ms. Radhika Rajan, Director (upto March 31, 2025)
	Ms. Mona Ninad Desai, Director (w.e.f November 06, 2024)
	Mr. Vivek Kumar, Company Secretary (w.e.f July 31, 2024)

ii) Transactions with related parties :

₹ in Lakhs

Particulars	Holding Company, Fellow Subsidiary & KMP	
	March 31, 2026	March 31, 2025
Revenue from Software products and licenses		
Sonata Software Limited	21,603	4,201
Sonata Software North America Inc.	18	223
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	4	38
Encore IT Services Solutions Private Limited	-	24
Rendering of Service		
Sonata Software North America Inc.	332	289
Purchase of Software products, licenses and software project fees		
Sonata Software Limited	69	58
Sonata Software North America Inc.	-	179
Rent paid		
Sonata Software Limited	84	52
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	35	-
Inter corporate loans taken [B]		
Sonata Software Limited	-	3,250
Inter corporate loans repaid [B]		
Sonata Software Limited	-	3,250
Inter corporate loans given [C]		
Sonata Software Limited	27,300	-
Sonata Software Solutions Limited	1,740	408
Inter corporate loans recovered [C]		
Sonata Software Limited	19,320	-
Sonata Software Solutions Limited	1,740	408
Interest expense on inter corporate loans [B]		
Sonata Software Limited	-	3
Interest Income on inter corporate loans [C]		
Sonata Software Limited	198	-
Sonata Software Solutions Limited	7	2
Dividend paid		
Sonata Software Limited	14,000	13,000

₹ in Lakhs

Particulars	Holding Company, Fellow Subsidiary & KMP	
	March 31, 2026	March 31, 2025
Commission on corporate guarantees [D]		
Sonata Software Limited	360	343
Reimbursement of expenses paid		
Sonata Software Limited	265	208
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	7	-
Sonata Software North America Inc.	115	75
Reimbursement of expenses received		
Sonata Software Limited	4	-
Sonata Software North America Inc.	1,424	-
Security deposit paid		
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	25	-
Compensation of key management personnel of the Company		
Short-term employee benefits [2]	250	330
Others	2	2
Balances outstanding at the end of the year		
Trade Receivables		
Sonata Software Limited	12,966	3,100
Sonata Software North America Inc.	708	163
Trade Payables		
Sonata Software Limited	142	51
Sonata Software North America Inc.	-	178
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	25	-
Reimbursement of expenses payable		
Sonata Software Limited	177	177
Sonata Software North America Inc.	94	31
Reimbursement of expenses receivable		
Sonata Software Limited	210	25
Sonata Software Intercontinental Limited	-	8
Sonata Europe Limited	91	80
Sonata Software Solutions Limited	6	5
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	22	-
Security deposit recoverable		
Sonata Software Technology Private Limited (formerly known as Quant Cloud Solutions Private Limited)	25	-

₹ in Lakhs

Particulars	Holding Company, Fellow Subsidiary & KMP	
	March 31, 2026	March 31, 2025
Corporate guarantees taken		
Sonata Software Limited [1]	38,425	34,685
Inter-corporate loans receivable [c]		
Sonata Software Limited	7,980	-
Payable to key management personnel of the Company		
Short-term employee benefits [2]	86	531

1 The movement between previous year and current year balance is due to change in foreign exchange rates.

2 The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
1) Sonata Software Solutions Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	1,040	150
2) Sonata Software Limited		
Outstanding balance as on date	7,980	-
Maximum amount outstanding during the year	11,080	-

Terms and conditions with related party:

A. The sales, purchases, loans given and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.

B. Inter corporate loans availed for meeting working capital requirements, are unsecured, repayable on demand in cash, at an interest rate ranges between 8.3% - 9.9%. The loan has been completely repaid during the year.

C. Inter corporate loans represent unsecured amounts lent to the Holding Company and the fellow Subsidiary for meeting working capital requirements and are recoverable on demand in cash. Interest rate ranges between 8.3% - 9.9%. The loan given to Sonata Software Solutions Limited (SSSL) is fully recovered and the loan given to Sonata Software Limited (SSL) is partially recovered even though the repayment has not been demanded.

D. Corporate guarantee has been issued by Holding Company to suppliers of the Company, to comply with the contractual obligations in the ordinary course of business. Commission on corporate guarantee is paid at 1%. The guarantee would come into effect only upon failure of the Company to pay the amounts outstanding to such suppliers.

E. Outstanding balance at year end are unsecured and settlement occurs in cash / offsetting arrangements.

36. 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, 2026	As at March 31, 2025
	Buildings	Buildings
Balance at the beginning	667	742
Additions	240	187
Deletions	(121)	(12)
Depreciation for the year	(269)	(250)
Balance at the end of the year	**517**	**667**

Incremental borrowing rate used for discounting of lease liabilities is 9.2% - 10.81% based on the lease term.

The Lease term generally ranges from 3 years to 15 years.

The following is the movement in lease liabilities:

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning	764	805
Non-cash changes		
Additions	228	182
Finance cost on lease liabilities	75	82
Deletions	(135)	(13)
Cash changes		
Payment of lease liabilities	(329)	(292)
Balance at the end of the year	**603**	**764**

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

₹ in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	265	294
Non-current lease liabilities	338	470
Total	**603**	**764**

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, 2026	As at March 31, 2025
Not later than one year	277	309
Later than one year and not later than 5 years	323	475
Later than 5 years	176	172

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, 2026	For the year ended March 31, 2025
Finance cost on lease liabilities during the year (Refer note 20)	75	82
Depreciation on ROU assets (Refer note 21)	269	250
Rent expense pertaining to short-term lease (Refer note 22)*	252	192
Total	**596**	**524**

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

37. The table below provides financial ratios:

Ratio/Measure	Methodology	Year ended March 31, 2026	Year ended March 31, 2025	Variance
Current ratio	Current assets over current liabilities	1.09	1.11	(2.10%)
Debt-equity ratio	Debt over total shareholders equity	0.02	0.02	(24.32%)
Debt service coverage ratio	EBITDA over current debt	31.47	27.22	15.63%
Return on equity ratio	PAT over total average equity	0.55	0.61	(9.58%)
Trade receivable turnover ratio	Revenue from operations over trade receivables	6.31	6.66	(5.33%)
Trade payable turnover ratio	Adjusted expenses over trade payables	5.01	5.52	(9.24%)
Net capital turnover ratio	Revenue from operations over working capital	47.24	41.34	14.29%
Net profit ratio	Net profit after tax over revenue	0.02	0.02	(6.06%)
Return on capital employed	EBIT over capital employed	0.73	0.76	(3.90%)
Return on investment[1]	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average investments.	0.09	0.13	(25.05%)

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.

Explanation for variances exceeding 25%:

[1] Return on investment is decreased on account of increase in average investments and decrease in revenue on investments during the financial year 2025-26.

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

39. 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.

(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 willful defaulters issued by the Reserve Bank of India.

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

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

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

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

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

Vivek Gopalakrishnan
Partner
Membership No. 522796

Place: Mumbai
Date : May 07, 2026

For and on behalf of the Board of Directors of
Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Place: Mumbai
Date : May 07, 2026

P Srikar Reddy
Director
DIN: 00001401

Place: Bengaluru
Date : May 07, 2026

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2026

SONATA SOFTWARE LIMITED

(CIN: L72200MH1994PLC082110)

Registered Office: 208, T V Industrial Estate, 2nd floor, S. K. Ahire Marg, Worli, Mumbai – 400 030

Corporate Office: Tower-A, Sonata Towers, Global Village (Sattva Global City), RVCE Post, Kengeri Hobli, Mysore Road, Bengaluru - 560059, India

Tel: 91-80-6778 1000, **E-mail:** info@sonata-software.com

Website: www.sonata-software.com

NOTICE OF THE THIRTY-FIRST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-first Annual General Meeting ("AGM") of the Members of **SONATA SOFTWARE LIMITED** ("the Company") will be held on Friday, 31st July, 2026, at 03:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements for the Financial Year ended 31st March, 2026.

To receive, consider, approve, and adopt the following:

(a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026 together with the Reports of the Directors and Auditors thereon; and

(b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 together with the report of the Auditors thereon.

2. Confirm payment of Interim Dividends and declaration of final dividend.

To confirm the payment of Interim Dividends of ₹ 3.75/- (Rupees Three and Seventy-Five Paisa only) per equity share of par value of ₹ 1/- each already paid and to declare Final Dividend of ₹ 4.15/- (Rupees Four and Fifteen Paisa only) per equity share of par value of ₹ 1/- each for the Financial Year ended 31st March, 2026.

3. Appointment of Mr. Shyam Bhupatirai Ghia (DIN: 00005264) as a Director liable to retire by rotation.

To appoint a director in place of Mr. Shyam Bhupatirai Ghia (DIN: 00005264), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Shyam Bhupatirai Ghia (DIN: 00005264), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation."

By Order of the Board of Directors
For **SONATA SOFTWARE LIMITED**

Place: Mumbai
Date: 7th May, 2026

Mangal Krishnarao Kulkarni
Company Secretary

NOTES:

1. Pursuant to the General Circular No. 03/2025 dated 22nd September, 2025, issued by the Ministry of Corporate Affairs (MCA), read with circulars issued earlier on the subject ("Circulars"). Companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") and the Circulars, 31st Annual General Meeting (AGM) of the Company is being held through VC/OAVM. The Registered Office of the Company shall be the deemed venue for the AGM.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held in accordance with the Circulars through VC/OAVM, the facility for appointment of proxies by the Members will not be available and hence, the proxy form, attendance slip and route map of the AGM are not annexed to this Notice.
3. In compliance with the aforesaid Circulars, the Notice of AGM along with the Annual Report for FY 2025-26 and instructions for e-voting are being sent only through electronic mode to those members whose email addresses

are registered with the Company/Depository Participant(s). Members may note that the Notice of AGM and Annual Report 2025-26 will also be available on the Company's website at, Sonata Software and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com. A letter providing the exact web-link of the website, including the exact path, where the Annual report for FY 2025-26 is hosted, will be sent to those members who have not registered their email address with the Company/RTA/ Depositories. The Company has also published an advertisement in newspaper containing the details about the AGM i.e., the conduct of the AGM through VC/OAVM, date and time of the AGM, availability of the notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/Registrar and Share Transfer Agent viz. KFin Technologies Limited (RTA/KFin) and other matters as may be required.

4. The Company has engaged the services of NSDL, as authorised agency for conducting the AGM through VC/ OAVM and for providing e-voting facility to its members.

5. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.

7. Institutional / Corporate Shareholders (i.e., investors other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address cs.maitribhat@gmail.com to with a copy marked to evoting@nsdl.co.in.

   Institutional / Corporate Shareholders (i.e. investors other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

8. The Company has fixed Friday, 17th July, 2026 as the 'Record Date' and the Register of Members of the Company will be closed from Friday, 24th July, 2026 to Thursday, 30th July, 2026 (both dates inclusive) for determining entitlement of members to final dividend for the financial year ended 31st March, 2026, if approved at the AGM.

9. The final dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2026, if approved, at the AGM, will be payable:

   a. to those members holding shares in physical form, whose names appear in the Company's Register of Members as on 17th July, 2026

      and

   b. in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose on 17th July, 2026.

10. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, i.e., 17th July, 2026, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.

11. The Company is required to deduct tax at source ('TDS') from dividend paid to shareholders at the prescribed rates in the Income Tax Act, 2025. The shareholders are requested to update their PAN with the Depository Participant (if shares held in electronic form) and Company / KFin Technologies Limited ("KFin") (if shares held in physical form).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 121 (erstwhile Form No. 15G / 15H), to avail the benefit of non-deduction of tax at source by e-mail to einward.ris@kfintech.com on or before 16th July, 2026. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20% or as may be prescribed in the IT Act.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form No. 41 (erstwhile Form No. 10F), any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before 16th July, 2026.

For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Company's website at Investor Relations

12. Since SEBI has made it mandatory for distributing dividends through Electronic Clearing Service (ECS), the Company will use the bank account details furnished by the Depository Participant(s) for distributing dividends to shareholders holding shares in electronic form. Members are requested to notify any change in their Bank account details to their Depository Participant(s) immediately.

13. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participant(s) in case the shares are held by them in electronic form and with KFin in case the shares are held by them in physical form.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

    a. **For shares held in electronic form:** to their Depository Participant(s);

    b. **For shares held in physical form:** to the Company/Registrar and Share Transfer Agent in prescribed Form ISR-1 along with supporting documents. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website at Investor Relations

15. Members may please note that the listed companies are mandated to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate(s); claim from unclaimed suspense account; renewal/ exchange of securities certificate(s); endorsement; sub-division/ splitting of securities certificate(s); consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at Investor Relations and on the website of the Company's Registrar and Share Transfer Agent, Kfin at https://ris.kfintech.com/default.aspx. It may be noted that any service request can be processed only after the folio is KYC Compliant. Please note that as mandated by SEBI, the allotment of shares shall be made only in dematerialized form. Pursuant to issue of Bonus equity shares in 2023, the shares held by shareholders in physical form have been credited to a separate demat Escrow account maintained by the Company. Members are requested to claim the shares from Escrow demat account maintained by the Company, by submitting the following documents:

    1. Request letter duly signed by all the shareholders
    2. Form ISR 4 (Please select the option – Claim from Unclaimed Suspense Account)
    3. Self-attested copy of Client Master List
    4. Self-attested copy of Pan Card for all shareholders
    5. Form ISR -1 for registration of KYC details or changes/update thereof
    6. Form SH-13 for Nomination or Form ISR-3 for Declaration to opt out
    7. Signature Verification as per ISR – 2 Form
    8. Self-attested address proof

    The above Investor Service Request Forms (ISR) are available on the website of the Company and RTA.

16. In terms of Regulation 40(1) of the Listing Regulations as amended from time to time, the requests for transfer of securities, transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialise the shares held by them in physical form. Members who had submitted transfer deeds for physical shares before 1st April, 2019, and whose requests were rejected, returned, or remained unprocessed due to deficiencies, have been provided a special re-lodgement window till 4th February, 2027, to re-lodge the transfer requests. Transfers would be approved if all the requisite documents are in place. Transfer under this window will be credited only in dematerialised form and will carry a one year lock-in period from the date of transfer registration. Members can contact the Company or KFin, for assistance in this regard.

17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

18. As per the provisions of Section 72 of the Act and the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website Investor Relations. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to KFin in case the shares are held in physical form.

19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and certificate from the Secretarial Auditor of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendments thereto with regard to the Company's Employees Stock Option Plan 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., 31st July, 2026. Members seeking to inspect such documents can send an email to investor@sonata-software.com.

20. Members holding shares in physical form are requested to forward all applications for shares related correspondence, (including intimation for change in address) to the Company's Registrar and Share Transfer Agent viz. KFin Technologies Limited, Unit Sonata Software Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, India - 500 032, Toll free no. 1800 309 4001. Members holding shares in electronic form are requested to notify change in their address to their Depository Participant(s).

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their PAN details to the Company's Registrar and Share Transfer Agent viz. KFin Technologies Limited, Unit Sonata Software Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, India - 500 032, Toll free no. 1800 309 4001.

22. Members desiring to claim dividends, which remain unclaimed, are requested to correspond with the Company's Registrar and Share Transfer Agent viz. KFin Technologies Limited for further processing. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund

(IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

23. The Company has uploaded the details of unpaid and unclaimed dividend amounts of prior years on its website. Members who have not encashed the dividend so far are requested to write to KFin Technologies Limited, who shall arrange to send the unclaimed dividend amount upon appropriate scrutiny. Members are requested to note that dividends which are not claimed within seven (7) years from the date of transfer to the Company's Unpaid Dividend Account will, as per the provisions of Section 124 of the Act and rules made thereunder, be transferred to the Investor Education and Protection Fund (IEPF). Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred to IEPF Authority as notified by the MCA. The Members / claimants whose shares and unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in). The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that unclaimed Final Dividend for the Financial Year ended 2018-19 shall become due for transfer to IEPF in September, 2026.

24. Members may kindly note that the Company has registered itself on the SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: https://smartodr.in/login. Members may feel free to utilize this online conciliation and/or arbitration facility, to resolve any outstanding disputes between Members and the Company (including RTA).

25. Members attending the AGM who have not cast their vote through remote evoting shall be eligible to cast their vote through evoting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again at the AGM. The detailed instructions for attending the AGM through VC / OAVM and availing e-voting facility are provided in **Annexure I** annexed to this Notice.

26. The Board of Directors have appointed Ms. Maitri Bhat, Practicing Company Secretary (FCS - 13655 / CoP No. - 18576), as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

Annexure A

Details of Directors seeking re-appointment at the 31st Annual General Meeting to be held on 31st July, 2026

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Particulars	Mr. Shyam Bhupatirai Ghia (DIN: 00005264)
Age	78 years
Date of first appointment on the Board	26th May, 1997
Qualification(s)	Bachelor's degree in science and Master of Business Administration
Experience / Expertise in specific functional areas	He has a diverse range of skills and expertise including corporate governance, general IT knowledge, leadership abilities, strategy management and behavioural science. He has proficiency in finance, tax and law.
Relationship with Directors and Key Managerial Personnel	Nil
Terms and Conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	No changes in terms and conditions of re-appointment and in remuneration sought to be paid.
Shareholding of directors in the listed entity, including shareholding as a beneficial owner.	13,332 shares
Number of Meetings of Board attended during FY 2025-26	4 of 4

Companies in which Mr. Shyam Bhupatirai Ghia holds Directorship & Committee membership and Listed Companies from which he has resigned in the past three years:

Particulars	Name of the Company
Directorships held in other Boards (excluding foreign companies)	Futura Polysters Limited
Committee Chairmanship/Membership in other public companies	
(i) Audit Committee -*Member*	Futura Polysters Limited
(ii) Stakeholders Relationship Committee -*Member*	Futura Polysters Limited
(iii) Nomination and Remuneration Committee-*Member*	Futura Polysters Limited
(iv) CSR Committee	-
(v) Other Committee(s)	-
Resignations in Listed Companies in past 3 years	Alkyl Amines Chemicals Limited

Brief Profile of Director:

Name of the Director	Brief Profile
Mr. Shyam Bhupatirai Ghia (DIN: 00005264)	Mr. Shyam Bhupatirai Ghia is a Non-Executive Non-Independent Director of Sonata Software Limited. He holds a bachelor's degree in science and master's in business administration. He has a diverse range of skills and expertise including corporate governance, general IT knowledge, leadership abilities, strategy management and behavioural science. He has proficiency in finance, tax and law.

ANNEXURE I TO THE NOTICE

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

The remote e-voting period begins on Monday, 27th July, 2026 at 09:00 A.M. and ends on Thursday, 30th July, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th July, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th July, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system.

How to cast your vote electronically and join AGM on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.maitribhat@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Falguni Chakraborty at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@sonata-software.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@sonata-software.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first serve basis.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Members are encouraged to use Camera and high speed internet to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to ask questions during the AGM may register themselves as

speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number on or before 25th July, 2026 at investor@sonata-software.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending upon the availability of the time for the AGM.

By Order of the Board of Directors
For **SONATA SOFTWARE LIMITED**

Place: Mumbai
Date: 7th May, 2026

Mangal Krishnarao Kulkarni
Company Secretary

Forward Looking Statements

This report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, words like 'will,' 'shall,' 'anticipate,' 'believe', 'estimate', 'intend', 'expect' and other similar expressions as they relate to the Company, or its business are intended to identify such statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances, or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as on their date of statement.




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