SONATA

SONATA SOFTWARE

The Modernization Engineering Company

ORCHESTRATING IN HARMONY



Annual Report 2024-25

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MEET THE LEADERS

Chairman's Message



Dear Shareholders,

It is an honor and a privilege to address you for the first time as the Chairman of Sonata Software. Over the past five years, I have had the opportunity to witness Sonata's remarkable transformation into a **Modernization Engineering powerhouse.** Your unwavering trust and support during this exciting journey have been invaluable, and I extend my deepest gratitude.

I would also like to take this opportunity to acknowledge and thank my predecessor, **Mr. Pradip Shah**, for his decade-long leadership and guidance. His contributions have played a pivotal role in shaping Sonata's success, and his legacy will continue to inspire us.

Driving Growth and Innovation

At Sonata, our commitment has always been to create exceptional value for our clients, employees, communities, and shareholders. As I reflect on the past fiscal year, I take great pride in our commitment to this.

Despite a dynamic global landscape, we have continued to navigate challenges with resilience and innovation. Our strategic focus on emerging technologies, artificial intelligence, and modernization solutions has propelled us forward. FY25 was another strong year for Sonata, with robust top-line growth driven by our strategic bets across offerings, markets, and verticals.

AI-Led Transformation

Artificial Intelligence is at the core of our vision for the future. In the past year, we have invested significantly in AI and advanced automation, ensuring we remain at the forefront of technological transformation. Our decision to lead the Gen AI wave with Sonata Harmoni.AI-grounded in a 'Responsible-first' AI approach-has helped us build momentum while upholding the highest standards of ethics, trust, privacy, security, and compliance.

Our People: The Driving Force of Sonata

Our employees-Sonatians-are the backbone of our success. Receiving the WOW (Workplace of Winners) Award in the IT, ITeS, and GCC categories reaffirms our dedication to fostering a culture of growth, learning, and innovation. Through Sonata University, we ensure our workforce remains future-ready, continuously upgrading their skills in an ever-evolving technology landscape. Initiatives like Sonata Spark and Tech-Fest further nurture creativity and knowledge-sharing among our teams.

Commitment to ESG and Sustainable Growth

Sonata remains deeply committed to its Environmental, Social, and Governance (ESG) charter. As we scale new heights, we 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 build efficient and agile digital businesses, Sonata is uniquely positioned to be their partner of choice. Our modernization approach, powered by Platformation.AI, enables organizations to build intelligent ecosystems that drive long-term success.

With a strong leadership team, a culture of innovation and excellence, and a clear vision for the future, we are 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 FY26 with optimism and confidence.

Sanjay K Asher
Chairman,
Sonata Software Limited



CEO's Message

"Sonata is now AI-native – we don't just modernize systems; we transform decisions, execution, and value creation at the core. We're not reacting to change – we're architecting it.

With our AI-First Platformation™ approach: Every Role. Augmented. Every Outcome. Accelerated."

– Samir Dhir

Dear Shareholders,

We live in a world of rapid transformation, where technology continues to reshape industries, economies, and daily lives. While global uncertainties-ranging from trade disputes to inflationary pressures-pose challenges, technology remains a powerful deflationary force, driving productivity and innovation at an unprecedented scale. At Sonata, we embrace this opportunity with resilience, accelerating investments in AI, modernization, and leadership, as well as investing in our people to create lasting value for our clients and shareholders.

Building Resilience, Driving Growth

Sonata has continued to strengthen its foundation for long-term growth. Our strategic investments focus on key verticals, global expansion, leadership, AI-driven modernization, and enhancing our talent and client ecosystem. These efforts position us not just to navigate the present but to define the future of enterprise transformation.

Our clients are experiencing profound shifts driven by AI-led transformation and evolving market dynamics. Our Modernization Engineering solutions align closely with their strategic priorities, helping businesses enhance customer experiences, unlock new revenue streams, and drive scalable growth. At the core of this transformation is Sonata Harmoni.AI, empowering organizations with AI-driven efficiency, agility, and intelligence. We are at the forefront of Agentic AI, redefining enterprise modernization and scalability through automation, advanced analytics, and next-gen intelligence. Our AgentBridge platform already enables AI-driven vertical solutions, reinforcing our leadership in enterprise innovation.

Momentum in Key Growth Areas

Over the past year, we have seen remarkable progress:

- **Vertical Growth:** Our investments in Banking, Insurance, and Healthcare Life Sciences have led to significant expansion. These verticals now contribute 34% of our revenue, up from 13% just 12 quarters ago. We expect this segment to reach $250 million in revenue within 3 to 5 years.

- **Data Modernization:** Revenue from data modernization has significantly scaled up in the past 12 quarters, now representing 20% of our business.

- **Large-Deal Wins:** We secured 11+major deals across industries, expanding our global footprint and reinforcing our leadership in modernization engineering.

- **Strategic Partnerships:** Our long-standing partnership with Microsoft remains a cornerstone of our strategy. In FY25, we were recognized as a Microsoft Inner Circle member for the fourth consecutive year and joined the Microsoft AI Partner Council. Beyond Microsoft, we strengthened collaborations with AWS, Salesforce, and Snowflake, achieving AWS Gen AI Competency Partner status alongside our existing AWS Advanced Tier Services and DevOps Competency. We won a number of marquee F2000 clients during the year working with our technology partners.

- **India Business (SITL):** Our managed services business in India continues to drive industry-leading growth and returns. With the launch of our Security Operations Center (SOC), we expect security services to contribute 20% to our gross contribution over the next 3 to 5 years.

- **Recognitions and Market Leadership:** FY25 has been a year of accolades. We debuted in Brand Finance India 100, recognized as one of the top three fastest-growing Indian brands. We were featured twice in HFS's Fastest Service Providers list and received over 15 industry recognitions for leadership in Gen AI, Cloud, Data, and Dynamics.

Investing in Our People and Culture

Upskilling remains critical in an era of continuous technological evolution. Sonata University is at the heart of our learning initiatives, ensuring our workforce is ready for the future. Over 90% of Sonatians are AI-certified, reflecting our commitment to continuous learning. Our culture, built on AGILE (Action, Growth, Integrity, Learning, and Empathy), remains our guiding force. We were honored to receive the WOW (Workplace of Winners) Award in the IT, ITeS, and GCC categories-recognition of our commitment to fostering an inclusive and dynamic workplace. With close to 7,000 employees and 31% gender diversity, we focus on attracting top talent to fuel our next growth phase.

Looking Ahead: Scaling for the Future

While we have achieved significant milestones, our journey is far from complete. The coming years will see us scale further, diversify revenue streams, expand marquee client relationships, and continue leading the AI revolution. We are committed to building Sonata into a global Modernization Engineering powerhouse, delivering innovation, efficiency, and transformational value at scale.

I remain incredibly proud of what our team has accomplished. I want to express my deepest gratitude to all Sonatians worldwide-your dedication, expertise, and relentless drive continue to fuel our success.

Redefining possibilities, accelerating growth, and leading with innovation-Sonata is engineering the future, today.

Samir Dhir
Managing Director & Chief Executive Officer,
Sonata Software Limited

BOARD OF DIRECTORS



From Left to Right

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

Executive Leadership Team



Samir Dhir
Managing Director &
Chief Executive Officer



Jagannathan CN
Chief Financial Officer



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



Anthony Lange
Chief Revenue Officer



Rajsekhar Datta Roy
Chief Technology Officer

Executive Leadership Team



Suresh HP
Chief Delivery Officer



Srinivas Veeravelli
Chief Executive Officer,
Quant Systems Inc.



Sharmila Sherikar
SVP, Head - Corporate Development



Balaji Kumar
Chief Human Resource Officer



Hemant Kumar Bhardwaj
Chief Marketing Officer



COVER STORY

Orchestrating AI in Harmony

Overview

AI is no longer just an emerging technology, it is now the backbone of decision-making, efficiency, and innovation across industries. Organizations worldwide are leveraging AI-powered automation to drive digital transformation, streamline operations, and unlock new business opportunities. Market Adoption of Gen AI in Sonata Software is evolving at different places across regions, with the United States leading the charge, driven by rapid enterprise adoption, AI-powered automation, and strong investments in AI innovation. Our market in the UK & Ireland (UKI) follow closely, leveraging Gen AI for digital transformation in financial services, healthcare, and retail. Europe and APAC are adopting a more cautious, regulatory-driven approach, balancing AI innovation with compliance and ethical considerations.

At Sonata Software, we embrace the latest technology trends to help enterprises integrate Agentic AI seamlessly within their workflows. From AI-led automation to predictive intelligence, our solutions empower businesses to enhance operational efficiency, personalize customer experiences, and optimize workflows.

To support this transformation, we have made significant strides in building a highly skilled Generative AI (Gen AI) workforce. Currently, 88% of our employees have achieved Gen AI Level 1 certifications, demonstrating our commitment to fostering AI-driven innovation and expertise.

With scalable, responsible, and future-ready AI solutions, Sonata Software is helping organizations stay ahead in the AI-first era, ensuring they harness the full potential of Agentic AI and Gen AI for sustainable business growth.



Top AI Tech Trends in 2024 and Beyond

Multi-Agent AI Systems (Agentic AI)

Multi-Agent AI Systems, also known as Agentic AI, represent a significant evolution in artificial intelligence, transitioning from single-task models to collaborative, autonomous agents capable of executing complex workflows. According to McKinsey, these systems utilize foundation models trained on extensive unstructured data, enabling them to adapt to various scenarios without explicit programming. Users can direct these AI-enabled agents through natural language commands to accomplish intricate tasks. The system interprets these directives, decomposes them into actionable steps, assigns tasks to specialized agents, and collaborates with both human operators and other agents to iteratively enhance performance.

Microsoft Leads the Shift from Conversational AI to Agentic Systems with Factory Operations Agent

Microsoft is pioneering the evolution of AI from simple conversational models to agentic AI systems-autonomous agents capable of performing complex tasks and streamlining workflows. This shift is exemplified by Microsoft's development of the Factory Operations Agent, an AI-driven tool that leverages large language models to diagnose defects and operational issues in manufacturing settings, thereby enhancing efficiency and reducing downtime.

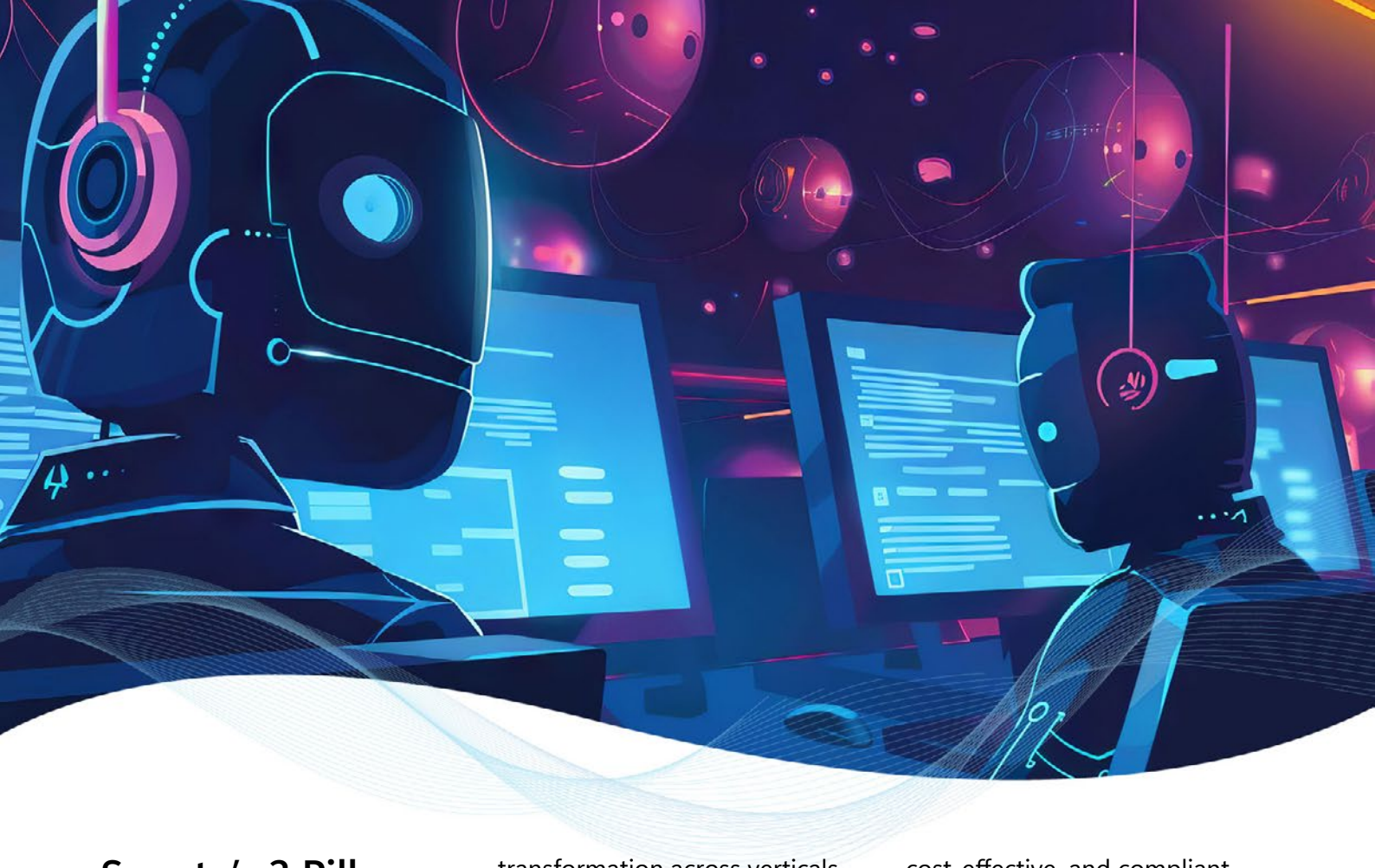
Gen AI Scaling

Gen AI is rapidly evolving beyond text and images, driving innovation in multimodal AI. This expansion enables AI to interpret and synthesize information across multiple formats, making it more adaptable for creative, industrial, and enterprise applications. As multimodal AI advances, it will reshape content creation, product design, and interactive experiences, unlock new frontiers in automation and human-AI collaboration.

AI-Native Development and AI-Augmented Coding

AI-Native Development is revolutionizing software engineering by embedding AI-driven automation into the entire development lifecycle. AI-augmented coding tools, such as GitHub Copilot, Amazon Code Whisperer, and Claude Coder, assist developers with real-time code generation, intelligent debugging, and automated refactoring. In DevOps, AI streamlines CI/CD pipelines, predictive testing, and anomaly detection, reducing manual effort and accelerating software delivery.





Sonata's 3 Pillar Strategy – What we do?

Sonata Software's AI Strategy is built on three key pillars: Go-to-Market, Internal Adoption, and Scale and Talent.

The Go-to-Market strategy focuses on vertical solutions such as autonomous workflows for BPOs, and customer experience enhancements for headless systems.

Internal adoption is prioritized in HR, Delivery, and Finance, ensuring AI-driven efficiencies within operations.

The Scale and Talent pillar strengthens AI capabilities through structured training programs, partnerships with AWS (Bedrock/Q) and Microsoft (Copilot, AI design), and a focus on brand positioning.

With this structured approach, Sonata is driving AI-led transformation across verticals while fostering internal innovation and workforce enablement.

Harmoni.AI: Evolution to Agentic – How we do?

Harmoni.AI is evolving towards an Agentic AI-driven future, integrating AI-led service delivery, customer experience enhancement, and business process modernization. The platform comprises Harmoni.AI Workbench for modern engineering, Harmoni.AI CX for customer support, and Harmoni.AI Album for internal function automation across finance, HR, and legal domains. Built on a Responsible First AI approach, Harmoni.AI operates on a Gen AI Foundation and Enterprise platform to ensure scalability and compliance. The transformation to an Agentic AI RAI and Foundation Platform ensures AI solutions remain democratized, governed, cost-effective, and compliant, enabling seamless scaling of AI adoption across industries. The rise of Agentic AI represents a shift from single-use AI applications to autonomous, collaborative AI agents that enhance productivity, decision-making, and automation. The following below are the areas of focus -

1. **AI-Led Service Delivery**
   – Harmoni.AI Workbench
   (Focus: Modern Engineering)

2. **Modernizing Customer Experience with AI**
   – Harmoni.AI CX
   (Focus: Customer Support and Engagement)

3. **Modernizing Business Processes with AI**
   – Harmoni.AI Album
   (Focus: Internal Business Functions)

When we focus on transformation, we focus on being the First mover in Agentic AI for Enterprises.

Core Principles of Harmoni.AI

Harmoni.AI is designed with a Responsible-First AI approach, ensuring that enterprises can adopt, scale, and govern AI-driven transformations effectively. Its core principles focus on ethical AI adoption, enterprise-grade automation, and seamless integration across business functions.

- Built on a Gen AI Foundation Platform, enabling AI-powered workflows.
- Integrates with cloud-native, hybrid, and on-prem environments.
- Supports multi-industry AI use cases for finance, healthcare, retail, and enterprise functions.

Sonata's Responsible-First Approach to Gen AI Adoption

Harmoni.AI, Sonata Software's Responsible-First AI platform, is designed to drive enterprise AI transformation with a focus on governance, compliance, and ethical AI adoption. While ChatGPT and Gen AI have gained widespread traction, enterprises still face challenges related to privacy, security, trust, and ROI in scaling AI adoption. Sonata Software, with its Responsible-First AI approach, is uniquely positioned to help businesses harness the potential of Gen AI while ensuring compliance and long-term value. Below are the few outliners when we compare with our peer product:

- Responsible AI at the Core
- AI-Powered Modernization
- Scalable AI-First Ecosystem
- Business-Centric AI Adoption

Gen AI Organization and Transformation Strategy

Sonata Software has integrated Gen AI across all competencies, below is the transformation strategy -

1. Transforming its offerings into Standard, Gen AI Enabled, and Gen AI Led categories.
2. 65% of offerings are Gen AI Enabled or Gen AI Led, covering areas like Dynamics, Cloud, Data, ERP, Engineering, and Core Gen AI.
3. 40% of offerings are Gen AI Led, and 25% are Gen AI Enabled.

This includes - Centers of Excellence (COEs) across competencies and geographies that support AI adoption. We have Vertical AI solutions tailored to industry needs and Core Gen AI deals are driven by the Gen AI COE team.

Use Cases– Harmoni.AI

Use Case #1

Strategic AI Implementation with Global Agri-Food Leader to Build Scalable AI CoE and Accelerate Adoption

Client is one of the largest merchant firms (French) involved in agriculture, food processing, international shipping, and finance and headquartered in Rotterdam, Netherlands. Annual turnover of $50+ billion. Make up about 10% of the world's agricultural product trade flow.

Key Highlights

- Client has created an AI Labs construct (CoE) to drive AI product development for internal adoption.
- Client is looking to create scalable capacity to drive AI initiatives in a co-managed approach and framework.
- Had requested to showcase our capabilities and approach creating this capacity along with an initial core team of 6 members which could be extended with on demand roles as required.
- Sonata proposed a 3-pronged approach to address these requirements including:
  - Provisioning of 6-member team with requested skills (focused on MS Azure stack).
  - Introduction of Customer CoE best practices, methodologies and accelerators to drive AI adoption.
  - Strategic advisory services to help clients achieve and realize their long-term AI vision.

Why Sonata

- Sonata's proposal was the most competitive both in commercial as well as technical terms.
- Sonata's governance model is aligned to client's requirements and vision.
- Sonata was shortlisted by several incumbents and large-scale service providers for clients.

Use Case #2

AI-Powered Legal Contract Summarization for Travel and Tourism Industry

A European travel and tourism service provider receives 450+ procurement contracts monthly, typically ranging between 60-150 pages. The manual review and data extraction for Signature Request Forms (SRF) is time-consuming, requiring 1-2 days per contract.

By integrating Gen AII, the firm automates contract summarization, significantly reducing manual effort, time, and errors.

The Solution Enables:

- Highly customizable SRF templates
- Processing of legal contracts up to 100 pages
- Multi-document processing and data extraction
- Seamless AI-powered content retrieval and summarization

Business Impact

- 4X faster SRF creation
- 50% reduction in manual effort
- Fewer human errors and improved efficiency

The system employs a web interface for document uploads, AI-based content indexing, and LLM-driven extraction, allowing users to preview and download summaries in multiple formats. With authentication, telemetry, and governance layers, the AI-driven solution enhances compliance, accuracy, and operational efficiency in contract management.

Use Case #3

AI-Powered Patient Matching and Governance Platform for Clinical Trials

A leading clinical trials and research provider is leveraging Gen AI and predictive modeling to automate patient matching, data extraction, and trial monitoring. The traditional manual patient enrollment process is resource-intensive, prone to delays, and impacts trial efficiency. The AI-driven platform enhances recruitment speed and trial outcomes by integrating automated patient matching, data standardization, and real-time monitoring.

Key Benefits

- Automated Patient Matching – Reduces manual effort and accelerates recruitment.
- Improved Data Standardization – Ensures high-quality data across clinical systems.
- Enhanced Collaboration – Strengthens communication between sponsors, sites, and stakeholders.
- Scalability – Adapts to growing data volumes and evolving trial needs.
- Real-Time Monitoring and Reporting – Provides actionable insights for better decision-making.

Solution Architecture Highlights

- AI Research Assistant and AI Orchestration for intelligent decision-making.
- LLMs and Kernel State Memory for data processing and validation.
- Knowledge Retrieval Services (Sinequa, Pinecone, Amazon OpenSearch) for context-aware recommendations.
- Gen AI Platform Capabilities including security, prompt engineering, and audit logging for compliance.
- Integration with external APIs, RPA, and domain-specific cognitive services to ensure efficiency.

Use Case #4

AI Invoice Standardization for European Telecom Service Provider

Managing 500+ invoices per month, each with 100-150 transaction lines, is a manual, time-consuming process for the AP team, leading to inefficiencies, a 50-60% failure rate, and high operational costs. The solution leverages Harmoni.AI and Gen AI to automate invoice processing, converting supplier PDFs and Excel invoices into SAP-readable CSV files.

Solution Highlights

- AI-powered invoice reading to handle multiple templates.
- Automated CSV generation for SAP integration.
- RPA-driven pre and post-processing to update systems efficiently.

Business Impact

- 10x faster CSV generation with improved accuracy.
- 70-80% manual effort reduction in invoice processing.
- 2 FTE savings through automation and process optimization.

Use Case #5

AI Summarization for Insurance Underwriting

A leading insurance broker faced inefficiencies in manual email processing for property and casualty (P&C) underwriting assistants, who spent hours reviewing police reports, adjuster notes, and witness statements. To streamline this, an AI-based summarization Outlook plugin was developed to automatically extract and summarize key accident details, reducing workload and improving accuracy.

Key Benefits

- Improved Efficiency – Automates email summarization, freeing assistants from manual processing.
- Enhanced Accuracy – AI ensures consistent extraction of critical details, minimizing human errors in claims processing.
- Streamlined Workflow – Helps assistants prioritize tasks and prepare reports faster.
- Cost Savings – Saves 625 hours per week and reduces costs by $18,750 per week across 250 underwriting assistants.

Technology Stack

Uses LLMs (OpenAI, Llama 2, Pinecone) for keyword identification and NLP-based real-time prompt analysis.

Routes queries securely between public and private AI models for efficient data handling.



Sonata Software's Partnerships

The Indian Institute of Science (IISc)

Sonata Software collaborated with IISc Bengaluru as part of its CSR initiative, reinforcing its commitment to advancing research and innovation in AI and Data Science. By merging ideation with execution, Sonata continues to push the boundaries of technological advancements, problem-solving, and social impact.

At Sonata Software, innovation is driven through Hackathons, collaborative ideation sessions, and cutting-edge projects that bring together talent from diverse domains. These initiatives foster co-working environments where creative minds brainstorm and develop solutions for real-world challenges. While our Partnership with IISc as a CSR focuses on reinforcing its commitment to advancing research and innovation in AI and Data Science, we look forward to technology sessions, technology talks by professors of IISC. By merging ideation with execution, Sonata continues to push the boundaries of technological advancements, problem-solving, and social impact.

30+ Years of Partnership with Microsoft – Driving Scalable AI Innovation

Sonata Software has proudly stood as a cornerstone alliance partner of Microsoft for over three decades, symbolizing a legacy of trust, innovation, and deep technological collaboration. Our enduring partnership continues to evolve with the changing technology landscape- today, it's focused on driving scalable, enterprise-grade AI and cloud innovation. Sonata holds prestigious recognitions, including:

- Proud member of the Microsoft AI Council, actively shaping the future of responsible and impactful AI adoption.
- Member of Microsoft's Inner Circle for BizApps, four times in a row. This membership places them among Microsoft's top-tier partners globally.
- Official Featured Partner for Microsoft Fabric.
- Azure Expert MSP Partner.
- 18 Gold Certified Competencies.
- 10 Advanced Specializations across Dynamics 365, Azure, Teams, Microsoft 365 (M365), Cloud Adoption Framework (CAF), and Data Analytics.

With a 3,500+ strong team skilled in Microsoft technologies, Sonata accelerates digital transformation through:

- Proven frameworks.
- Robust digital process libraries.
- Purpose-built accelerators.

Sonata's Microsoft-led solutions are delivering measurable impact and operational excellence across industries including Retail, Consumer Goods, Manufacturing, Distribution (RMD), Healthcare and Life Sciences (HLS), Banking and Financial Services (BFSI), and Technology, Media and Telecom (TMT). Our deep Azure expertise and platform-led approach empower organizations to modernize infrastructure, unlock data intelligence, and deploy AI-driven innovation with agility and scale.

Taking this further, Sonata's strategic integration of Generative AI, enabled through Azure OpenAI, Azure AI Foundry, and Microsoft's AI ecosystem, adds a transformative layer of intelligence and adaptability. This empowers enterprises to unlock deeper insights, drive automation, and achieve sustained competitive advantage in a digital-first world.

Sonata Software's Strategic Collaboration with AWS

Sonata Software, in alignment with its vision for digital innovation, collaborates closely with Amazon Web Services (AWS) to accelerate cloud transformation and build scalable, intelligent solutions. As an Advanced Consulting Partner of AWS, Sonata leverages AWS's robust ecosystem through deep integration with services and infuses innovation through joint hackathons, technology workshops, and proof-of-concept labs.

These engagements promote hands-on learning, ideation-to-execution journeys, and foster co-innovation environments. Sonata's AWS collaboration enhances technical excellence, fuels digital adoption, and ensures businesses unlock value at scale while contributing to inclusive technology growth.

With specialization in services like AWS Config, Amazon Bedrock, and SageMaker, Sonata helps clients adopt AI-driven, cost-optimized, and future-ready cloud solutions, accelerating innovation across industries. As part of its responsible-first AI commitment, Sonata integrates deeply with Amazon Bedrock, allowing enterprises to experiment, fine-tune, and deploy foundation models (FMs) using techniques like Retrieval Augmented Generation (RAG) without managing infrastructure, thanks to Bedrock's serverless architecture. This makes it easy to integrate Gen AI securely across enterprise systems and data sources. Through Sonata Harmoni.AI, the company is building industry-specific applications powered by Amazon Bedrock-particularly in sectors like Healthcare and Life Sciences, Consumer Products and Retail, Telecom, Media and Technology, and Banking and Financial Services. Sonata has also developed six service delivery platforms, numerous acceleration BOTs, and is actively running pilots with global customers to scale adoption.

This collaboration between Sonata and AWS underscores their shared vision: delivering responsible, innovative, and enterprise-grade AI solutions on scale.





SONATA AT A GLANCE

About Sonata Software

In today's market, there is a unique duality in technology adoption. On one side, extreme focus on cost containment by clients, and on the other, deep motivation to modernize their digital storefronts to attract more consumers and B2B customers.

Sonata Software, with $1+billion in revenue, is a leading Modernization Engineering company with AI-first approach. Our unique Modernization approach through **Platformation.AI** helps create efficient and agile digital businesses to drive intelligent ecosystems of the future. Our bouquet of Modernization Engineering Services cuts across Data, Cloud, Dynamics, Automation, Cyber Security, and around newer technologies like Gen AI, Microsoft Fabric, and other modernization platforms.

Our unique and innovative Responsible-first AI offering **Sonata Harmoni.AI** is a comprehensive platform powered by Gen AI and encompasses a variety of industry solutions, service delivery platforms, and accelerators. It is distinguished by its embedded ethics, privacy, security, and compliance. We enable our clients to leverage AI in three different ways: i) driving efficiencies, ii) driving higher consumer experience/modern sales, and iii) driving innovative business models.

Headquartered in Bengaluru, India, Sonata Software has a strong global presence, including key regions North America, UK, Europe, India, and Australia. We are one of the fastest growing IT Services companies and a trusted partner of Fortune 500 companies in Banking, Financial Services and Insurance (BFSI); Healthcare and Life Sciences (HLS); Technology, Media, and Telecom (TMT); and Retail, Manufacturing and Distribution (RMD) space.

Sonata Software boasts of a very strong partnership with Microsoft, AWS and many others. We are proud member of Microsoft AI Partner Council and have also achieved AWS Gen AI Competency. Also, we are member of the prestigious Inner Circle for Microsoft Business Applications and Featured and Launch Partner for Microsoft Fabric.



Serving Our Global Clients with Right Talent Mix

(Global & Local Talent)



Life at Sonata















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 Issues

Environment	Social	Governance

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

Electricity Consumption

- 3321.2 MWh
- 45 % reduction from Baseline year 2019-20.

Emissions

- 2887.79 tCO2e
- 71% reduction from Baseline year 2019-20.

Water

- 7287.32 kilo litres.
- 29 % recycled.

Renewable Energy

- 77.6 % of total energy consumption

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

Sustainable Supply Chain

We actively engage and train our Tier 1 suppliers to enhance their awareness of ESG principles and align them with Sonata's sustainability expectations. Our supplier ESG due diligence is embedded within our Supplier Code of Conduct Policy, which all suppliers are required to acknowledge and adhere to. Additionally, we conduct sustainability assessments of our Tier 1 suppliers to evaluate and improve their environmental and social performance.

EHS (Environment, Health and Safety)

We are dedicated to maintaining a safe and healthy work environment for our employees. Our EHS initiatives include:

- Promoting health and safety awareness among employees.
- Implementing a structured approach to incident management, investigation, reporting, and corrective actions.
- Identifying EHS risks and assessing their potential impacts.
- Ensuring compliance with all relevant EHS regulations and standards.
- Managing waste responsibly to minimize environmental impact.

Environmental Management Systems (ISO14001)

Sonata has successfully implemented ISO 14001, the globally recognized standard for Environmental Management Systems, reinforcing our commitment to sustainability and responsible business practices. This achievement highlights our dedication to reducing environmental impact through efficient resource management, waste reduction, and regulatory compliance. By integrating environmental considerations into our operations, we have enhanced energy efficiency, minimized carbon footprint, and promoted eco-friendly initiatives. Continuous monitoring, employee awareness programs, and sustainable procurement practices ensure ongoing improvements. ISO 14001 certification aligns with our corporate sustainability goals, demonstrating our responsibility toward environmental stewardship and creating a greener, more sustainable future.

Occupational Health and Safety Management Systems (ISO 45001)

Sonata has successfully implemented ISO 45001, the internationally recognized standard for Occupational Health and Safety Management Systems. This milestone reflects our commitment to providing a safe and healthy work environment for all employees, contractors, and stakeholders. Through proactive risk assessments, continuous monitoring, and employee engagement, we have strengthened workplace safety culture and reduced potential hazards. Regular training, compliance with legal requirements, and structured incident reporting ensure ongoing improvement. ISO 45001 certification reinforces our dedication to operational excellence and employee well-being, aligning with our sustainability goals and fostering a safer, more resilient workplace for the future



Ratings & Awards

SILVER | Top 15% ecovadis Sustainability Rating MAR 2025	Received Silver Medal from EcoVadis ESG Rating FY 25. This showcases our performance in ESG policies, measures, impact and disclosures.
CDP DRIVING SUSTAINABLE ECONOMIES	Received B rating which represents Sonata is amongst companies that reached the management level.
Dow Jones Sustainability Indexes	Sonata has participated in S&P global CSA.
United Nations Global Compact	Sonata Software is a member of the United Nations Global Compact (UNGC).

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

Corporate Social Responsibility

CSR Vision 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 its stakeholders including our community.

Sonata's CSR projects Social Impact Assessment

Sonata Software underwent third party social impact assessment of our CSR projects. BlueSky has assessed the Sonata CSR program with an Exemplary Rating. Exemplary Projects have high process maturity and are successfully reaching their program goals. These projects represent best practices in both implementation and impact, demonstrating an exemplary model.

Key Projects

CENTUM FOUNDATION

Project: Digital Skilling for underprivileged students.

Impact

- Training on Data Analytics (125 students), Microsoft Dynamics 365 (125 students) – Developer provided to 250 beneficiaries with 90% women, along with 70% placement assistance. The beneficiaries are economically weaker sections of society in semi urban areas.
- Promotion of education and enhancement of employment of underprivileged diversified youth in IT sector and to provide access to quality and affordable resources and to create pool of employable trainees.

SDG Alignment



FVTRS

Project 1: Technical Skilling to empower and benefit the underserved and underprivileged youth.

Project 2: Development of FVTRS website for efficient NGO operation.

Impact

- Access to quality and affordable resources and creating pool of employable trainees.
- 250 beneficiaries getting Digital skill training.
- Certified trainees are made job ready for wage employment, thereby improving their standard of living.
- Placement linked training program.
- Meeting the growing workforce demand in IT industry.
- Improved website for the NGO operation.

SDG Alignment



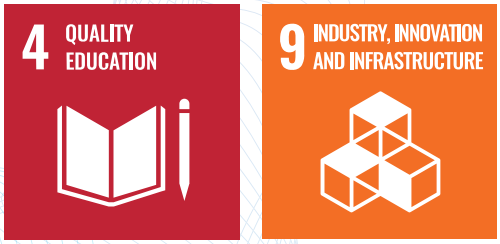
IISc

Project: Research and Development in the area of Software Engineering, Responsible AI, Research on Customer Experience through Outreach and Education, Infrastructure for AI, Start-up incubation etc.

Impact

- Practical education increased AI literacy: Students and professionals trained in advanced AI topics through workshops and summer schools.
- Enhanced Research Capabilities: State-of-the-art labs and classrooms established, leading to a 30% increase in research output.
- Innovative AI Solutions: Successful development and deployment of AI solutions in healthcare and finance sectors, improving efficiency and accuracy.
- Startup Growth and Collaboration: Incubation of AI startups, resulting in 5 successful product launches and partnerships with industry leaders.

SDG Alignment



Bangalore Little Theatre

Project: Develop a web portal for the NGO which focuses on life skills training for underprivileged children using theatre techniques.

Impact

- Enhanced Emotional Management: Children learn to comprehend and manage their emotions effectively.
- Stress Management: Participants develop coping mechanisms to handle stress and anxiety.
- Constructive Anger Management: The project teaches techniques for managing anger constructively.
- Community Support: The initiative fosters a supportive community through collaboration and shared experiences.

SDG Alignment



Agastya International Foundation

Project: Technical assistance for the development of the educational platform Welearn App.

Impact

- Practical education to rural school students.
- 10,000+ downloads of the App.
- 12750+ beneficiaries.

SDG Alignment



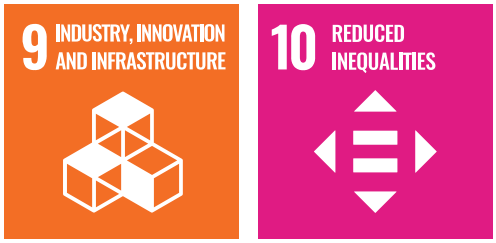
Industree Crafts Foundation

Project: Developing an Online Repository for Artisans to Store Designs and Products.

Impact

- Preservation of cultural heritage: By providing a centralized platform to store designs and products of artisans, this initiative can help in documenting and preserving traditional art forms.
- Empowerment of artisans: The Co-Create app makes it easier for artisans to enrol themselves and showcase their products to a wider audience and provide greater economic opportunities for artisans.
- 400+ beneficiaries.

SDG Alignment



Arvind Eye Hospital

Project: Develop an Android-based assistive technology app to support children with Cerebral Visual Impairment (CVI), specifically enhancing early diagnosis and therapy options for children with special visual needs.

Impact

- The app primarily serves as a diagnostic and therapeutic tool for CVI. It features exercises and interactive games designed to improve visual awareness and perceptual skills, critical for cognitive and visual development in affected children.

SDG Alignment



Diversity and Inclusion through CSR

- **90% of the beneficiaries** of our CSR program with Centum Foundation and FVTRS are **women and specially abled.** This program provides **skill development and technological education** to underserved and underprivileged youth to increase their employability.
- **Inclusion of women** in society through various programs and campaigns through the Visible & Invisible Program of **MAP (Museum of Art and Photography).**
- **Foster technical talent from disadvantaged economic backgrounds** – 52+ female students from 2018-19 to 2024-25 have been awarded Sonata scholarship to fulfil studies in Computer Science/Information Systems and the Electronics and Communication streams.
- **Para-athletes are being trained for paralympics with the support of Sonata.**
- Development of an Android-based assistive technology app to support children with cerebral visual impairment (CVI), specifically enhancing early diagnosis and therapy options for children with special visual needs.

SDG Alignment








MODERNIZATION
ENGINEERING

Accelerating Modernization Driven Growth Enabled by Platformation.AI

1. What We Do

In today's volatile world-shaped by economic shifts, geopolitical tensions, and rapid technological change-businesses must continuously evolve to stay relevant. The rise of Artificial Intelligence as a mainstream force is transforming how organizations operate, compete, and grow.

Sonata empowers enterprises to modernize across every layer of their business-from customer engagement and operations to platforms and infrastructure. We enable clients to rethink value creation, unlock efficiency, and stay agile in a digital-first economy.

Our expertise spans cloud, data, enterprise applications, customer experience, managed services, and AI-led transformation. We work across industries to drive intelligent automation, enhance productivity, and create resilient, future-ready enterprises.

In an environment where disruption is the norm, Sonata helps clients embrace continuous modernization and lead with confidence. With strong engineering capabilities and deep domain knowledge, we enable organizations to transform with clarity, speed, and measurable impact.

2. How We Do It

Sonata's approach is underpinned by three paths to enable modernization.

1. **Business Process Modernization** involves the reimagination of end-to-end business processes and applying AI, automation, and analytics, Sonata helps clients unlock new efficiencies and improve agility and hence decision-making at every level.

2. **Technology Modernization** is centered on the transformation of legacy systems into modern, API-led, and cloud-native platforms. By leveraging microservices, event-driven architecture, and scalable data systems, Sonata ensures that clients are future-ready and digitally agile.

3. **Continuous Modernization** is about delivering modernization as an ongoing journey. Sonata adopts an agile and iterative execution model that enables rapid value realization, innovation cycles, and continuous optimization of platforms and processes.

3. FY26 Goals

Looking ahead to FY26, Sonata aims to embed AI across every service line and delivery framework. This includes building intelligence into core engineering and operations through agent-based models and automation. Platform-led engagements will scale further through investments in Platformation.AI and Harmoni.AI, which serve as the core frameworks for delivery and transformation.

Sonata's competencies are key to enabling large deals, with a strong focus on both horizontal and industry-specific capabilities. The company also places strong emphasis on building next-generation talent through Unified Engineering and AI readiness programs, ensuring a future-ready workforce that is aligned with evolving client needs.

4. Core Competency Pillars

4.1 Cloud Modernization

Sonata's Cloud Modernization competency helps clients accelerate their cloud transformation journeys through AI-led, scalable solutions that drive improvements in cost efficiency, performance, and agility. The practice is centered on AI-led FinOps and observability, enabling autonomous cloud optimization powered by proactive intelligence and predictive insights. At Sonata, cloud modernization is inherently AI-driven. By integrating AI capabilities and a tool-led approach, Sonata automates cloud migration and modernizes legacy platforms, streamlining the entire transformation process. Leveraging Sonata's enterprise AI platform, Harmoni.AI, ensures a seamless, intelligent cloud journey-resulting in reduced time to market, agile delivery, and a significantly lower total cost of ownership for clients.

Sonata's approach is strengthened by deep, strategic partnerships with the world's leading cloud providers. With Premier Partner and AI Competency status at AWS, and a

strong ecosystem with Microsoft Azure and Google Cloud, Sonata has expanded its solution footprint across geographies and industries. The organization's well-defined partnership and alliances strategy also includes collaboration with Oracle Cloud and IBM Cloud. These alliances are focused on delivering joint cloud-native and modernization solutions, supported by competencies and specializations awarded by partner ecosystems. Backed by a large pool of certified professionals across these platforms, Sonata is uniquely positioned to lead full-scale enterprise cloud transformations.

The company's ability to co-innovate with hyperscalers and niche technology providers ensures that clients benefit from a rich, evolving ecosystem of tools, accelerators, and services.

People readiness is a foundational element of Sonata's cloud competency. The practice is powered by thousands of certified professionals across Microsoft Azure, AWS, Google Cloud Platform (GCP), Oracle Cloud, and IBM Cloud. Sonata continues to invest significantly in upskilling its talent to meet evolving market and client needs. Team members are trained and certified across all proficiency levels-Foundational, Associate, Specialty, and Professional-ensuring coverage of the entire cloud technology spectrum. Beyond these external certifications, Sonata mandates the completion of the Sonata Modernization Engineering (SME) Program, its in-house foundational learning program offered through Sonata University. SME Program includes critical training modules in cloud, AI, and Gen AI, fostering a workforce that is not only technically equipped but also transformation ready. Certified cloud engineers, cloud architects, cloud operations specialists, and



AI-enabled cloud engineers work collaboratively to help clients realize their business objectives with speed and confidence.

Sonata's approach to cloud transformation is underpinned by a comprehensive suite of tools and assets that ensure rapid, cost-efficient, and defect-free delivery.

We improved user experience and reduced costs for a leading technology services client by modernizing and consolidating multiple legacy ERP systems.

The Harmoni.AI Workbench serves as the central platform, encompassing various reusable toolkits and frameworks tailored for cloud projects. These include the CAF-aligned framework, the Platformation™ framework, and purpose-built accelerators such as Lightening Assess (for cloud consulting and readiness assessments), Lightening Build (for cloud-native app development and modernization), and Lightening Operate (for cloud operations and management). Other tools like the Application Disposition Framework, IntellQA (AI-enabled test acceleration), and AI-powered modernization solutions for code refactoring, code generation, and code migration enable high-speed, intelligent modernization.

With these toolsets, Sonata has been ensuring modernization of Enterprise Apps and product engineering, notably for a global technology leader, by delivering operational excellence, robust cloud governance, and scalable innovation.

4.2 Data Modernization

We are bringing a fundamental shift in the approach to data management and analytics services by leveraging Generative AI. Sonata's Data Platform Modernization offering involves intelligent data mappings using AI, optimizing data engineering and data management through our Lightning Data Suite (LDS) accelerators, which are intelligent, and metadata driven. Our Business Intelligence (BI) modernization offering delivers AI-led conversational BI and self-service capabilities to business personas. In addition, we customize conversational data insight capabilities such as Microsoft Co-Pilot to provide tailored analytics across enterprises. We continue to leverage our leading position with emerging and game-changing technologies such as Microsoft Fabric to bring the latest AI innovations in Data and Analytics to our customers. In line with our Responsible-First AI platform, Harmoni.AI, our Data Infrastructure for AI offering is designed to bring responsible-first principles to the data layer, with centralized data governance and privacy controls that unify all varieties of data needed for AI, thereby reducing the time to build AI models on a trustable data foundation. With extensive experience across sectors such as finance, healthcare, retail, and manufacturing, Sonata's data modernization capability is further enhanced by strategic partnerships with leading technology providers. Sonata continues to stay ahead of the curve through product engineering collaboration with Microsoft on Fabric.

We enabled a leading logistics technology provider to modernize core systems and build data-first architecture using Microsoft Fabric, Gen AI, and Azure Cloud infrastructure, driving enhanced operational efficiency, scalability, and venture into altogether a new advisory business.

We are also strengthening our strategic partnerships with Snowflake, Databricks, and other niche technology providers to bring the best combination of technology choices to market. Sonata became a featured partner for Microsoft Fabric's SaaS SQL DB offering, ranking among top few partners globally. Fabric SQL DB enables new-generation Translytical applications that combine OLTP and OLAP capabilities with minimized data latency, enabling real-time intelligence to be embedded directly into business applications. On the talent front, Sonata continues to add capacity and build capability in modern data technologies. The Sonata team continuously learns and earns certifications through various industry-recognized technical programs. Our experts actively contribute to engineering innovation and differentiators, publish white papers and blog articles, conduct webinars, and represent Sonata at global technology events and roadshows. These efforts help ensure our people are not only skilled in current data technologies but also lead the conversation in innovation and best practices. Aligned to our data modernization offerings, we continue to enhance our suite of tools and assets. The Lightning Data Suite includes several intelligent tools designed to support high-speed, high-quality data transformation. IntelliPipe serves as a metadata-based intelligent data integration accelerator, while IntelliDQ addresses six types of data quality challenges using a combination of AI and human-in-the-loop processes. IntelliMapper is an AI-based intelligent data mapping tool that automates the mapping of complex data structures, and IntelliCatalog serves as

a generative business data dictionary and data catalog to streamline enterprise data understanding and usage. These tools not only accelerate implementation but also help enterprises embed AI, quality, and governance throughout their data landscape, making their transformation more intelligent, efficient, and future-ready.

4.3 Managed Services

Sonata's Managed Services offering is fundamentally built around AI-first operations, bringing a transformative shift to how enterprises manage infrastructure, applications, and support processes. By leveraging Generative AI and agentic AI toolsets embedded within the Harmoni.AI platform, Sonata introduces automation at every layer-from tasks and service requests to full-scale operational orchestration. The transformation spans intelligent service desk operations across L1, L2, and L3 levels through Support.AI, intelligent infrastructure and cloud management using CommandCenter.AI, and business process automation across finance and HR through Process Automation.AI. These solutions enable agile, resilient, and future-ready operations that deliver continuous value. As part of this modernization journey, DevOps and DevSecOps practices are deeply integrated, augmented by analytics and the re-architecture of traditional operations into AI-first, compliance-assured service models. Tools such as Support.AI and CommandCenter.AI further boost operational visibility, faster response times, and governance.

Sonata's capability in Managed Services is further strengthened by deep, strategic partnerships across the technology ecosystem. Partnerships with hyperscalers like Microsoft, AWS, and Oracle enable scalable cloud delivery. Our automation offerings are powered by strong collaborations with Microsoft Power Automate, Automation Anywhere, UiPath, and Blue Prism, allowing us to deliver secure and scalable process automation solutions. On the engineering and DevOps front, Sonata integrates solutions through partnerships with GitHub, AWS, Microsoft, and others, enabling CI/CD pipelines, test automation, and modern software delivery at scale. These alliances help deliver holistic modernization across infrastructure, applications, and processes.

At the core of Sonata's delivery model is a robust people strategy. Our professionals are trained to not only implement but also augment and automate AI-powered tools for client service delivery. Through Sonata University, teams are continuously upskilled on Gen AI capabilities and certified not just in partner technologies but also on in-house platforms like Harmoni.AI. The Managed Services team is composed of certified experts-Cloud Infrastructure Architects, CloudOps and FinOps Engineers, Process Automation Architects, and QA/DevSecOps specialists-all aligned to help clients realize strategic objectives such as cost efficiency, scalability, agility, and continuous modernization.

The transformation is powered by a comprehensive suite of proprietary tools, all aligned to drive performance, cost reduction, and operational excellence. This includes the Harmoni.AI platform for AI orchestration, Support AI for service management, CommandCenter.AI for infrastructure and cloud operations, and ProcessAutomation.AI for streamlining business operations across core functions. Together, these assets help enterprises reduce operational spend, improve time-to-market, enhance security posture, and deliver exceptional user experiences.

Sonata's approach to continuous modernization is anchored in Gen AI-powered service transformation, embedding automation, intelligence, and adaptability into everyday operations. Legacy manual processes are re-architected into flexible, scalable global delivery models with compliance assurance and governance baked in through our CCoE model. **The result is a continuous improvement loop, where clients achieve 40–50% cost optimization over 3–5 years, 40% improvement in user satisfaction, and 45–60% acceleration in operations. This sustained, proactive model drives rapid innovation, faster technology adoption, and future readiness with one of our clients in the consumer goods space.**

Sonata's Managed Services empowers clients to modernize business processes by optimizing IT infrastructure and streamlining license management. For example, we partnered with a leading manufacturing client to enhance operational efficiency through proactive infrastructure support and strategic license optimization. Using frameworks like FinOps and HROps, coupled with intelligent automation, clients realize faster transactions,

higher engineering quality, and reduced costs-while enabling self-funded modernization through IT spend optimization and co-ownership via the CCoE framework.

4.4 Dynamics Modernization

In today's rapidly evolving digital landscape, organizations are increasingly recognizing the urgency to modernize their Enterprise Resource Planning (ERP) and customer engagement (CE) systems. Traditional ERP and CRM solutions are often constrained by legacy architectures, disconnected data silos, and manual processes, making it difficult to support the demands of modern business. AI-led ERP transformation-powered by Microsoft Dynamics 365-offers a compelling path forward. By integrating intelligent automation, data insights, and cloud-native agility, Dynamics 365 helps organizations unlock operational efficiency, innovation, and business agility.
Sonata implemented and supported Dynamics 365 across 40+ countries for a global industrial equipment leader, enabling standardized operations, improved global collaboration, and enhanced business agility.

Sonata's Dynamics Modernization competency is at the forefront of this transformation. The company offers three distinct pathways to enable modernization: Legacy Modernization, which enhances existing Microsoft legacy ERP and CRM platforms such as AX, NAV, or CRM by upgrading them to Dynamics 365 with AI and cloud capabilities; Compete Migration, which transitions entire systems-including non-Microsoft ERP platforms-onto a unified, cloud-based Dynamics 365 foundation; and AI-Led Business Process Transformation, which leverages tools like Power Platform, AI Builder, and Dynamics 365 Copilot to redesign core processes and deliver intelligent, customer-centric operations. Across all three, Sonata embeds automation and AI tools that reduce effort by 20–30%, enhancing speed and lowering risk.
We are modernizing the ERP platform for one of the leading global security solutions providers to improve scalability, streamline processes, and support global growth initiatives.

This AI-led approach extends into service delivery as well. Sonata is heavily investing in Dynamics AI ERP, including copilots and agentic frameworks, to bring intelligence directly into core business processes. These capabilities are being integrated into Sonata's offerings in enterprise modernization, compete technology transformation, and continuous modernization. The company's responsible AI principles are central to this evolution, ensuring that every step of the modernization journey is scalable, governed, and focused on delivering measurable value to customers.

Sonata's leadership in this space is reinforced by its unparalleled partnership with Microsoft. With a 30+ year relationship and over 26 years as an engineering partner, Sonata has consistently demonstrated thought leadership and technical excellence across the Microsoft ecosystem. The company supports over 400 clients in more than 50 countries and contributes more than $650 million in annual revenue to Microsoft. Recognized as part of the Microsoft Inner Circle FY 2023/24, Sonata is a trusted Microsoft Cloud Solution Partner across Business Applications, Modern Work, Security, Infrastructure, Data and AI, and Azure-delivering end-to-end transformation across consulting, global rollouts, enhancements, and managed services.

People readiness is a key driver of Sonata's capability. The Dynamics practice is powered by over 1,800 certified professionals across Dynamics 365, Power Platform, and Microsoft cloud services. These experts cover ERP areas like Finance, Supply Chain, Commerce, HR, and Project Operations, as well as CE areas including Sales, Service, and Marketing. The team also includes specialists in platform conversion, system integration, and engineering, enabled by modern practices and Sonata's proprietary frameworks.

Tool-led delivery forms the backbone of Sonata's modernization success. The company has developed robust tools using Microsoft's low-code Power Platform and Copilot to automate code, configuration, and data migration from legacy CRM and ERP platforms to Dynamics 365. It also leverages Harmoni.AI to automate testing, code migration, and ongoing application management. Sonata's tool suite includes Co-Sell Ready IPs, industry-specific accelerators, and a Responsible AI framework with a library of use cases. These tools consistently deliver 30–40% reduction in time-to-value and cost, enabling faster, smarter, and risk-mitigated transformations across the entire Dynamics lifecycle.



4.5 Responsible AI Infrastructure and Foundation

Gen AI is transitioning from an exploratory concept to an actively deployed enterprise capability, although still in its early stages. This transformation is being accelerated by major investments in foundational models and the rise of autonomous, agentic frameworks that are redefining the landscape of enterprise automation and intelligence. As organizations begin to explore the true potential of Gen AI, they are commonly faced with three key questions: Is it safe, secure, and trustworthy? What is the return on investment? And is their data ready to effectively leverage AI? Sonata directly addresses these enterprise concerns through its Responsible First Framework and the Harmoni.AI Enterprise Platform, both of which provide the governance, scalability, and value-driven approach required for successful enterprise AI integration. Sonata's focus lies in enabling the creation of autonomous workflows governed by agentic models, offering calibrated autonomy, observability, and control over AI operations across the enterprise. The company's offerings support several dimensions of enterprise modernization using Gen AI. These include Shared Services Modernization, leveraging Harmoni.AI Album for Finance, HR, Legal, and Marketing to enhance speed, efficiency, and insight generation; Customer Experience Transformation through Harmoni.AI CX, which empowers contact centers and loyalty initiatives with AI-driven intelligence; Core Business Process Modernization through customized, industry-specific solutions that unlock operational value across key enterprise functions; automated quality assurance with IntellQA; and Technology Delivery Transformation, where Harmoni.AI Workbench supports every stage of the software development lifecycle-from requirement gathering to testing, deployment, and support. Sonata recognizes that enterprises will adopt Gen AI in phases-moving from experimentation to construction, deployment, differentiation, and ultimately democratization. To support this evolution, Sonata provides robust assessment frameworks that ensure clients derive measurable value at every stage of their AI journey.

This transformation is amplified by Sonata's strong partnerships and alliances with leading technology providers. The company collaborates with hyperscalers like Microsoft and AWS to integrate tools such as Microsoft Copilots and Amazon Q into its offerings, enabling accelerated deployment and alignment to real-world use cases. These partnerships also power innovation in live client engagements.

Microsoft works with Sonata to optimize engineering workflows and enhance the performance of Azure AI Studio on open-source models. A leading pharmaceutical company leverages Sonata's governed Agentic AI platform to enhance its e-commerce experience, compliance, and governance capabilities. Meanwhile, a major travel firm has adopted Sonata's support to deploy Large Language Models (LLMs) using self-hosted, tenant-hosted, and API-based strategies.
These alliances enhance Sonata's credibility and speed up client outcomes by offering pre-integrated, ready-to-deploy solutions.

People readiness is another critical pillar in Sonata's Gen AI-led approach. More than 6,500 professionals across the company have undergone specialized Gen AI training and evolved into full-stack AI engineers and architects, certified across platforms such as Microsoft, AWS, and other cloud environments. This talent base is not only technology-proficient but also AI-first in its approach, capable of delivering advanced engineering solutions, co-creating with clients, and driving impactful business outcomes. The focus is on fostering AI architects, product thinkers, and domain consultants with deep expertise in both the tools and the business context.

Finally, 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. These tools empower organizations to create and manage autonomous workflows, driving improvements in operational efficiency, scalability, and user experience. Complementing this is Sonata's Data Platform Accelerator suite, built on technologies like Microsoft Fabric, Snowflake, and Databricks, which strengthens data readiness-a critical prerequisite for successful and responsible Gen AI adoption.



5. Enabling Large Deals through Competencies

Sonata's competencies are deeply integrated into the large-deal strategy. AI is embedded in deal crafting, powering industry-specific solutions and enabling outcome-based commercial models. Each competency pillar-cloud, data, managed services, Dynamics, and core AI-aligns with the strategic themes of large deals, both horizontally and vertically.

Sonata's go-to-market strategy is rooted in this competency architecture, with targeted offerings for high-growth verticals and aligned investments in solution engineering, IP, and delivery innovation. The result is a scalable model that positions Sonata to win and deliver transformational engagements.

6. Sonata Modernization Engineering (SME) Program and Talent Transformation

Sonata's approach to talent transformation is anchored in Unified Engineering. This model is being rolled out across business units and geographies, providing a common operating framework that integrates engineering, testing, automation, and AI-readiness.

The focus is on cross-skilling and building future-ready capabilities across Gen AI, full-stack development, MLOps, and platform engineering. Dedicated talent academies for each stream-cloud, data, AI, and Dynamics-are enabling rapid talent ramp-up and deep specialization.

7. Ecosystem and Partner Council

Sonata continues to build on its strong partner ecosystem, earning marquee recognitions such as the AWS AI Competency and Microsoft Solutions Partner status across domains. These partnerships are more than certifications-they drive co-innovation and joint GTM initiatives that power Sonata's modernization agenda.

The newly instituted Partner Council initiative is focused on driving structured collaboration, market expansion, and solution innovation with strategic partners across hyperscalers, data platforms, and automation vendors.

8. AI-Led Frameworks and IP

Sonata's AI frameworks-Platformation.AI and Harmoni.AI-are core to its delivery and transformation model. These platforms provide scalable foundations for automation, engineering orchestration, and outcome realization across service lines.

The development of next-gen tools like Agent Bridge and Agent Builder signifies Sonata's shift toward intelligent, agent-based service delivery. These models reimagine traditional processes with AI-first thinking, enabling composability, reusability, and contextual intelligence in delivery.

The focus is now on scaling these frameworks across the service portfolio and embedding them into client programs, thereby delivering higher automation, agility, and intelligence.

9. The Sonata Way Forward

Sonata's modernization-driven growth strategy is anchored in a strong competency framework and amplified by AI-led transformation. Each pillar-cloud, data, managed services, Dynamics, and AI-is built to deliver measurable client outcomes.

With a focus on continuous modernization, AI-first thinking, and platform-led transformation, Sonata is well positioned to scale impact for clients and drive growth in FY26 and beyond. The roadmap is clear: scale competencies, empower talent, deepen partnerships, and deliver with AI at the core.



PARTNER ECOSYSTEM

Powering Ecosystems of the Future

The future of enterprise AI isn't just about automation-it's about orchestration. At Sonata Software, we are committed to breaking silos and enabling AI agents to collaborate, make decisions, and adapt dynamically. As a leader in AI innovation, we continue to empower businesses with scalable, future-ready AI solutions, particularly within our Healthcare and Life Sciences and Banking, Financial Services and Insurance verticals.

Our deep collaborations with hyperscalers like Microsoft, AWS, Salesforce, ServiceNow and Snowflake strengthen our ability to deliver cutting-edge AI solutions. By integrating AI seamlessly across enterprise ecosystems, we enable businesses to operate with greater intelligence, autonomy, and efficiency. Our AI-first partnerships are fueling the rapid transformation of our Cloud and Digital services, positioning us to achieve our ambitious goal- 60% of our total services revenue from these segments by 2027.

As we expand our AI ecosystem by onboarding 50+ strategic partners in 2025, including large ISVs, AI-first platforms, and cutting-edge startups, our foundation remains rooted in decades of trusted alliances

Accelerating Innovation with Microsoft

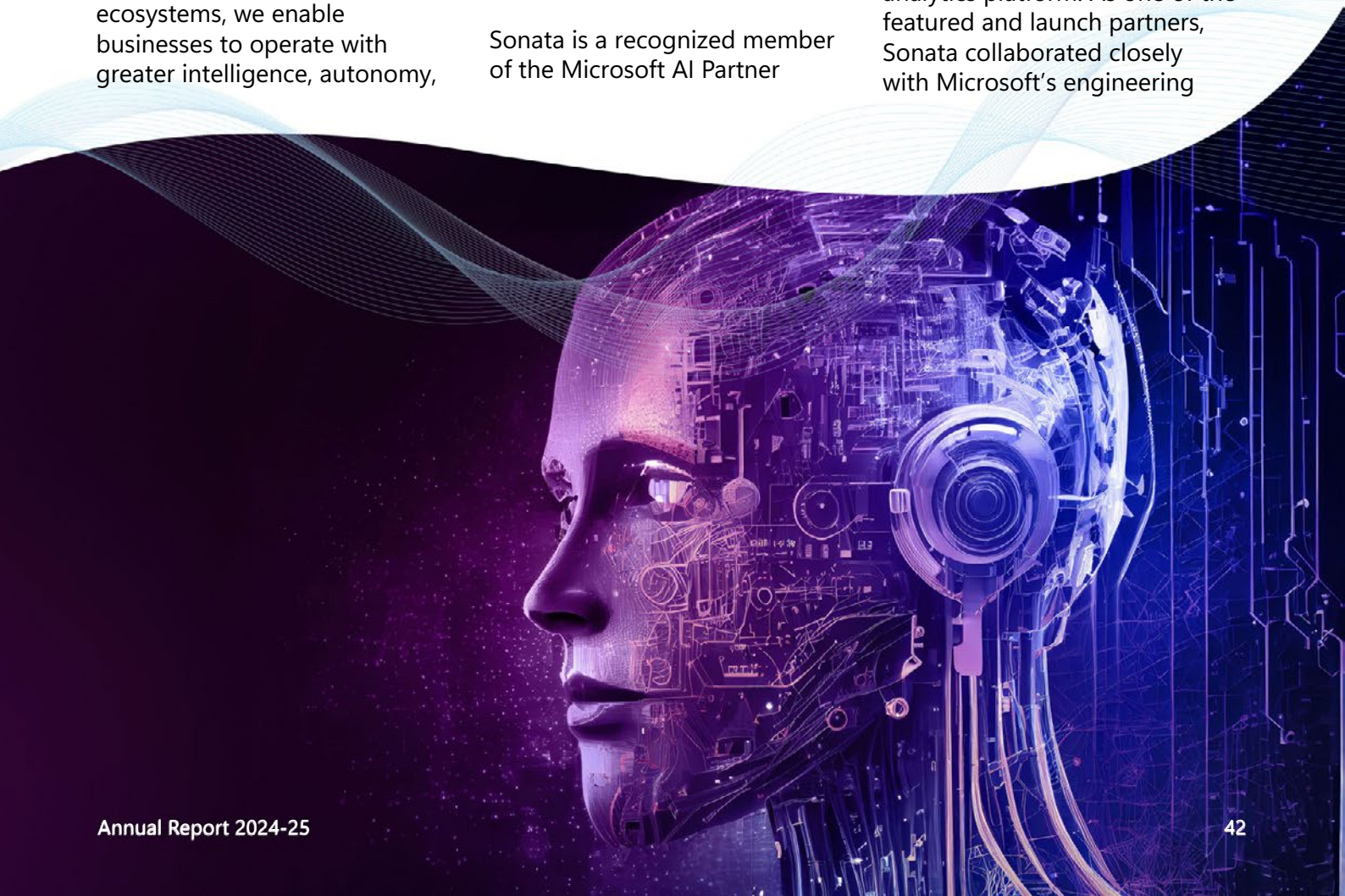
Our 30-year partnership with Microsoft, as part of the elite Microsoft Inner Circle, places us among the top 1% of global Microsoft partners. This Inner Circle status, awarded only to top performers, is a testament to Sonata's exceptional Dynamics 365 expertise and customer success.

Sonata is a recognized member of the Microsoft AI Partner Council, a testament to our leadership in responsible-first AI innovation. Through our Harmoni.AI platform, we are pioneering scalable AI adoption- seamlessly integrated with Microsoft Azure AI to enable intelligent enterprise solutions.

We are also a certified Microsoft Azure Expert Managed Services Provider (MSP)-a designation reserved for partners with proven capabilities in delivering end-to-end Azure services. Backed by 10+ Advanced Specializations spanning Dynamics 365, data analytics, and Azure modernization, Sonata brings deep technical expertise and operational excellence to every client engagement.

Microsoft Fabric

Sonata has been at the forefront of next-generation analytics, playing a pioneering role in the evolution of Microsoft Fabric- Microsoft's unified data and analytics platform. As one of the featured and launch partners, Sonata collaborated closely with Microsoft's engineering



teams well before Fabric's public release. For over two years, Sonata's experts co-innovated with Microsoft's Fabric team, contributing feedback and developing new solutions on Fabric.

This strategic partnership has positioned Sonata as a trusted systems integrator and thought leader in the Fabric ecosystem, driving data-driven business transformation at scale.

Delivering on the Microsoft Cloud Vision

As a result of this strong partnership, Sonata Software has delivered hundreds of successful projects leveraging Microsoft Azure, Dynamics 365, Power Platform, and other Microsoft technologies. The company's full-stack expertise – from cloud infrastructure to business applications and AI – enables end-to-end digital transformation for clients across industries. Sonata's Microsoft-focused teams have modernized systems for 400+ global clients using Microsoft driving business agility and innovation at scale.

High-Impact Industry Engagements

- FabCon Europe, September 2024: Sonata was a Gold Sponsor at this flagship Microsoft Fabric Community Conference, where we showcased our Fabric accelerators and shared insights on enterprise analytics transformation. Our team engaged directly with global data leaders to highlight the power of Lightning Data Suite (LDS) in delivering unified, real-time analytics on Azure.
- FabCon, March 2025: Continuing its Fabric leadership, Sonata served as a Gold Sponsor at the Las Vegas Fabric Community Conference. The involvement of Sonata's senior data experts in speaking roles underscored the company's thought leadership, as they joined Microsoft product leaders to discuss how AI-powered data management in Fabric is driving business growth and transformation. Sonata's prominent sponsorship and speaking engagement at FabCon events highlight its stature as a key Microsoft partner in the Fabric ecosystem.
- MCAPS Tech Connect, February 2025: Sonata was a Showcase Sponsor at the Microsoft Customer and Partner Solutions Tech Connect 2025 event. Sonata's active role at MCAPS Tech Connect, from sponsorship to thought leadership, earned positive visibility and reinforced its reputation as a go-to Microsoft partner for AI and data solutions.

This deep collaboration enables us to drive Azure consumption through AI-led application modernization, invest in advanced specialization, and power Copilot and autonomous workflow programs to accelerate joint growth. We are also building vertical agentic solutions on our AgentBridge platform across HLS, BFSI, and RMD, reinforcing our leadership in AI-driven transformation.

Three Decades of Innovation with Microsoft

Our partnership with **Microsoft** is further exemplified through high-impact deals. In FY25, a leading provider of parcel spend management solutions partnered with Sonata to develop a cutting-edge cloud-based SaaS platform. Specializing in optimizing shipping strategies to enhance profitability and efficiency, the client aimed to expand its services and revenue streams through digital transformation. Sonata leveraged Microsoft's data and analytics solutions to design and build a scalable, AI-driven platform that enables businesses to gain deeper insights, reduce costs, and improve logistics efficiency. This 14-month engagement establishes a foundation for long-term business growth, helping the client transition from a service-based model to a technology-driven SaaS offering.

Beyond Microsoft, our deep collaborations with hyperscalers like **AWS, Salesforce, and Snowflake** strengthen our ability to deliver cutting-edge AI solutions.
By integrating AI seamlessly across enterprise ecosystems, we enable businesses to operate with greater intelligence, autonomy, and efficiency. Our AI-first partnerships are fueling the rapid transformation of our Cloud and Digital Services positioning us to achieve our ambitious goal-**60% of our total services revenue from these segments by 2027.**

Accelerating Innovation with AWS

Sonata Software continues to strengthen its collaboration with AWS, achieving **Advanced Tier Services Partner** and **Gen AI** Competency Partner status. Our deep expertise in AI-led transformation has been instrumental in delivering high-impact solutions, in collaboration with AWS's PACE team, to accelerate innovation across industries.

As a trusted AWS partner, we have successfully driven **enterprise-wide Gen AI adoption**, enabling organizations to **enhance operational agility, streamline decision-making, and unlock new growth opportunities**. Our AI-first solutions are empowering businesses to transform their data-driven strategies, optimize workflows, and drive intelligent automation at scale.

Driving Industry Innovation: Gen AI-Powered Transformations

- **Clinical Research Modernization:** Partnered with a global leader in cloud-based clinical research technology to **enhance agility in test case creation,** leveraging Gen AI to reduce testing cycles by **40%**, benefiting over 1**00+ stakeholders** across research and development.
- **AI-Led Contract Intelligence:** Developed a **Gen AI-powered legal automation solution** that extracts key clauses from complex agreements and streamlines **contract lifecycle management** for a leading global enterprise.
- **Retail and Trade Promotion Optimization:** Delivered an **AI-driven analytics platform** integrating real-time KPI monitoring, automated insights, and trend visualization to **maximize trade promotion effectiveness** for a Fortune 500 company.
- **Conversational AI for Business Efficiency:** Implemented an **autonomous Self-Help Bot** to enable seamless troubleshooting and proactive resolution of queries, significantly improving user experience and **operational efficiency** for a leading consumer brand.

The Road Ahead: Scaling Gen AI with AWS

Building on our strong collaboration, Sonata Software is actively expanding its AWS partnership through:

- **Industry-Specific AI Solutions:** Developing **verticalized Gen AI applications** for AWS Marketplace, tailored to BFSI, healthcare, retail, and manufacturing.
- **Cloud and AI-Led Migration:** Creating **horizontal migration solutions** to support enterprises in modernizing legacy workloads through AWS-powered AI.
- **Accelerated AI Adoption:** Leveraging **AWS** funding programs to fast-track Gen AI implementation and drive seamless customer onboarding.
- **Advancing Agentic AI:** Expanding autonomous AI capabilities to build next-gen **Agentic AI** models, redefining enterprise intelligence.

By combining **Sonata's AI-first approach** with AWS's cloud innovation, we are shaping the future of intelligent enterprises, ensuring businesses **stay ahead in the AI-driven economy.**

From **Cybersecurity, Mainframe Modernization, and Cloud Transformation to Edge Computing,** IoT Integration, Quantum Computing, and Data Analytics, our co-innovation model with partners is shaping the next generation of AI solutions. These solutions think, adapt, and execute autonomously, ensuring enterprises gain intelligence, precision, and agility in their operations. By fusing AI-driven decision intelligence with deep industry expertise, we are unlocking new efficiencies and scaling AI-first workflows effortlessly.

Looking ahead, we remain focused on expanding into new markets, accelerating AI adoption, and advancing **agentic AI-powered business models.** With a vision to increase **AI adoption by 40% across key industries** and drive a **30% boost in operational efficiency by 2026**, our alliances are creating a dynamic ecosystem where AI agents collaborate, automate, and drive enterprise-wide intelligence. Together, we are redefining the future of innovation, ensuring that businesses worldwide are equipped with the most advanced AI-driven solutions available today.

Accelerating Innovation with Snowflake

Sonata has cultivated a robust partnership with Snowflake and has achieved the Select Tier Partner status in the US region. We have demonstrated our commitment to delivering transformative data solutions that leverage Snowflake's scalable and secure cloud data platform. By harnessing Snowflake's cutting-edge architecture, Sonata ensures the creation of a unified and accurate single source of truth, facilitating robust business intelligence and real-time insights. This partnership empowers enterprises to build custom business data clouds that unlock the potential of their data assets in a cost-effective manner, enabling high-caliber insights without compromising budget realities.

With over 20 hyperscale end-to-end Snowflake implementations across various industries, Sonata's CoE has become a benchmark for enabling businesses to achieve their data modernization goals efficiently. This partnership underscores Sonata's dedication to empowering organizations with agile, secure, and scalable data solutions that drive competitive advantage in today's dynamic business landscape.

Accelerating Innovation with ServiceNow

Sonata Software has strengthened its strategic partnership with ServiceNow to accelerate digital transformation for global enterprises. This collaboration focuses on leveraging ServiceNow's powerful AI-driven platform to streamline workflows, enhance operational efficiency, and deliver superior customer experiences.

By integrating our deep domain expertise and modernization engineering capabilities with ServiceNow's cutting-edge automation and orchestration tools, the partnership aims to drive innovation across industries such as BFSI, healthcare, and manufacturing. Together, we are enabling organizations to adopt agile, scalable solutions that support long-term growth and resilience in an increasingly digital world.

Accelerating Innovation with Salesforce

Sonata Software has established a strategic partnership with Salesforce to deliver comprehensive digital transformation solutions across industries. This collaboration leverages our deep expertise in platform engineering and digital modernization with Salesforce's powerful CRM and cloud capabilities.

Together, we help clients in sectors such as retail, manufacturing, healthcare, and financial services streamline operations, enhance customer experiences, and accelerate innovation. By integrating Salesforce's AI-driven tools with our industry-specific solutions, the partnership enables businesses to unlock greater value from their data, improve agility, and scale efficiently in a rapidly evolving digital landscape.





HUMAN CAPITAL

AGILE: Sonata Ways of Working

As Sonata continues to scale and grow in the midst of tectonic technological shifts, heightened customer expectations and ambitious employee aspirations, we defined our Ways of Working – AGILE to ensure a common language is used to codify what we expect of each other. AGILE stands for:



Most Preferred Employer

FY25 assumes significance in your company for being recognized as the WOW (Workplace of Winners) Award in IT, ITeS and GCC category, organized by Jombay (a part of IPO bound CIEL HR Group).

This annual recognition highlights organizations that receive the most WOW reviews from their employees. The methodology included examining the employee reviews, testimonials and feedback across the web (including employee review websites) using Jombay's AI engine. These reviews are then evaluated against Jombay's proprietary WOW Engagement framework to assign an organizational rating.

This award is particularly meaningful as it reflects the sentiments of Sonatians and our pride in being part of this organization. It stands as a testament to the commitment and dedication of each employee in driving our collective success and growth and underscores our commitment to fostering an exceptional workplace.

Attracting Talent

Our company's commitment to elevate the depth and quality of human capital is evident in its continued endeavors to attract and onboard talent across the board.

Apart from more than 25 highly credible leadership talent across functions and geographies, our company onboarded more than 2400 Sonatians across the globe including fresh engineering graduates from campuses.

We continued to focus on building a diverse talent pipeline by onboarding more than 31% of the talent acquired being gender/ethnically diverse.

All this was possible in the face of continued efficiencies including a higher internal sourcing ratio, better fulfillment rate and improvement in offer to joining ratio.



Talent Development

As technology advances, **Sonata University** continues to drive a culture of continuous learning, equipping our workforce with future-ready skills. Sonata University was established to provide world-class learning programs, equipping the workforce with skills for the digital future.

Under the aegis of Sonata University, apart from the other training programs offered, the focus on Gen AI capability building continues. Our company has 93% of its team members who are Level 1 Certified in Gen AI and ~40% trained in Level 2 and Level 3. Additionally, Gen AI is now embedded in every training program that we offer.

Sonata University has expanded its learning infrastructure, increasing active learner percentage from 87% to 92% and learning hours by 8%, reaching over 350,000 hours. The Sonata Mandatory Training Program (SMTP) targets Project Managers, Delivery Managers, and Delivery Directors, providing upskilling in digital technologies and leadership skills. Over 300 leaders have completed SMTP learning journeys.

Unified Programs (UPs) are evolving to map employees to a proficiency grid based on roles, experience, and skill levels, embedded with Sonata IPs and Harmoni.AI. External certifications enhance expertise, with over 26% of employees earning industry-recognized credentials.

Over the past financial year, our workforce has collectively logged more than 40,000 learning hours and 8 training days per employee across our learning platforms

Our ongoing "Invest in Yourself Challenge" gamifies learning, reflecting a strong "I Own My Learning" mindset with over 800 employees currently participating in the challenge.

Our commitment to compliance is unwavering, with a strong focus on POSH, Information Security, ESG, and Gen AI. We proudly report a compliance rate of approximately 90% in these critical areas.

Our highly structured trainee onboarding program includes five structured tracks: Sonata Stepping Stones, Launchpad, Tech Foundation, Tech Generic, and Competency Specific. Our focus is on cross-skilling and upskilling to achieve relevant proficiency levels, business relevance, and faster deployment. Over the last financial year over 350 digital engineer trainees have undergone this highly structured onboarding program. Our investment in campus recruit training ensures new talent is quickly equipped with essential skills for the digital landscape.



Talent Engagement

Engaging our talent has been a continuous endeavour and we have been raising the bar every year. The SEM (Sonata Experience Management) intervention assists us in monitoring the pulse of our talent sentiment and take corrective actions.

In line with our endeavor to benchmark and review our people practices, we have redesigned the Performance Management process to bring in timely goal setting, objective assessment, fair evaluation, timely feedback and continuous development.

Starting with goal setting and performance reviews, PACE (Performance And Career Enablement) successfully covered 95% of team members through a fair process.

More than 15 policies have been revised or added during the course of the year.

At Sonata, we embrace a Play Big mindset and A.G.I.L.E ways of working, which stand for Action, Growth, Integrity, Learning, and Empathy. These core values were on full display at our recent in-house Annual **TECHFEST.** The event highlighted exceptional projects from various teams, setting new benchmarks in success and celebrating innovation and technological excellence.

Sonata **SPARK Hackathon** (platform to encourage innovation and entrepreneurial drive) was a celebration of creativity, collaboration, and innovation. Over months of hard work, our talented colleagues brought game-changing ideas to life, with 10 exceptional teams pitching their innovative solutions to the Executive Leadership Team. Key highlight was ideas laced with Generative AI, showcasing transformative potential for the business.

We also organized the 2nd edition of **Sonata 5k Marathon**, with over 1,000 Sonatians gathered across locations to participate in the 'Run-For-A-Cause' focusing on the digital literacy of Girl Children.

At Sonata, employee wellbeing being paramount, we did multiple interventions focused on wellbeing including increasing awareness through webinars, panel discussions and health camps.

We have continued with our hybrid work model that was launched last fiscal. This has been helpful in getting colleagues together, increasing collaboration and camaraderie.

HR IT Modernization

Your company continued to enhance HR processes by leveraging **Mavin AI** capabilities to drive efficiency and employee engagement.

To streamline communication and feedback, a plug-and-play survey and communication module platform has been developed, enabling seamless deployment across key initiatives such as PACE communication, GNEO, SEM, and feedback surveys. This ensures a structured and data-driven approach to gathering insights and enhancing employee experience.

In addition, AI-driven enhancements have been introduced to Altrua ticketing, allowing employees to raise queries effortlessly.
By selecting the query type, the system intelligently categorizes and generates tickets, resulting in improved service efficiency.





YEAR-IN-REVIEW

Operational Highlights

At Sonata, our ambition is to be a top quartile growth company, accelerating modernization at the intersection of AI and enterprise transformation.

We aspire to be a differentiated modernization engineering firm, driven by our proprietary Platformation™ framework, AI-first solutions, and a modern tech stack. We are committed to delivering superior business outcomes powered by data, AI, cloud, automation, and intelligent platforms.

From a growth point of view, we remain focussed on few critical bets: 1. Win multiple mid and large deals, building on our successful track record 2. Deepen and diversify our partnerships with Microsoft, AWS, and other key partners to win new logos that can scale for Sonata to become the next $10M, $25M, and $50-100M+ clients. 3. Scale the business through deeper capabilities build-out.

With our differentiated Lightening tools, IP, and Offerings we are taking confident strides towards achieving the above goals in 4 Verticals - Healthcare and Life Sciences (HLS), Banking, Financial Services and Insurance (BFSI), Retail, Manufacturing and Distribution (RMD), and Technology, Media and Telecom (TMT)-and five focus Geographies: North America, UK, Europe, India, and Australia.

FY25 witnessed us winning 11+ Large Deals and adding a few marquee logos to our list of customers – namely a Fortune 200 Banking and Financial giant to our Top 10 Client's list.

Our Big Bet - AI-enabled Services is expected to contribute 20% of our revenue by the end of CY27. 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.

Sonata Harmoni.AI, a Responsible-first AI offering with a bouquet of industry solutions, service delivery platforms, and accelerators using Generative Artificial Intelligence (Gen AI) played a pivotal role in our recent deal wins and subsequent AI model implementations. By leveraging Harmoni.AI across multiple clients, we are enabling Gen AI-driven engineering scale and Test acceleration.

Our teams are at the forefront of AI revolution. With some HLS and BFSI clients, we are making significant progress in implementing Gen AI using small language models for cost efficiency and implementing Agentic AI for driving hyper automation in our transformation programs.

To lead Agentic AI driven growth, we are making significant investments in building 'AgentBridge' - Sonata's cutting-edge industry agnostic Advanced Agentic AI solution which will accelerate enterprise-scale AI-powered automation.

In addition, we are doing pilots within our Internal Functions like HR, Finance and Legal and replicating the same use across multiple customers, including Fortune 500 clients, across the key verticals that we are focussed on.

We, in partnership with The Victorian Government through Invest Victoria, announced our commitment to set up AI Centre of Excellence in Melbourne to meet the growing demand for Gen AI and data solutions.

We are a proud member of Microsoft AI Partner Council and are delighted to share that in FY25 Sonata achieved the AWS Gen AI Competency as well. By harnessing AWS's Gen AI technologies and advanced AWS DevOps services, we are well-positioned to elevate customer experiences, provide hyper-personalized content, and generate impactful outcomes for our global clients.

Another Big Bet - Microsoft Fabric has progressed well too. Sonata is a proud "Featured and Launch partner for Microsoft Fabric" - the data analytics platform for the era of AI. Since its launch, we have witnessed a significant pipeline build-up for Fabric, with a $31 M Pipeline across 70+ Clients. Our teams are building solutions using Microsoft Fabric as Infrastructure for AI, in close collaboration with Microsoft. Leveraging the work done by our team of data engineers we are enabling our clients in this new paradigm of end-to-end analytics SaaS platform-we won a Mid-Size deal and several other deals.

Our Invest Verticals (HLS & BFSI) now contribute 34% of our revenue, up from 13%, twelve quarters ago.

Our revenue for Data Modernization has grown from 13% to 20% in the last twelve quarters. And Cloud and Data is now ~60% of the overall pipeline.

As part of our strategic expansion plans in key markets, our company has successfully established delivery centres in Mexico, Poland, Egypt and Malaysia and they are scaling up as well.

We achieved an impressive, aggregated Customer Satisfaction (CSAT) score of 4.3 out of 5. In addition, our Net Promoter Score (NPS) survey, conducted by a professional research firm, revealed that more than 60% of client stakeholders are strong promoters of Sonata.

Sonata continued to forge strategic partnerships with key industry Hyper-scalers such as AWS, Salesforce, and Snowflake, enabling us to secure high-quality clients and large-scale deals. FY25 witnessed Sonata achieving AWS **Advanced Tier Services Partner and AWS DevOps Competency** status.

Our India business (SITL), which focuses on annuity sales, continues to deliver consistent strong growth, with an industry-leading ROCE. The newly formed Security Operations Centre (SOC) will be 20% of its Gross Contribution in the next three to five years' time.

Sonata continued to win several recognitions including "Top 3 Fastest growing Indian brands" by Brand Finance, HFS 'Fastest Five' Service Providers, and Microsoft Business Applications 2023/2024 Inner Circle Award.

Sonata winning **WOW (Workplace of Winners) Award** in IT, ITeS and GCC category, stands as a testament to the commitment and dedication of each employee in driving our collective success and growth and underscores our commitment to fostering an exceptional workplace.

FY25 witnessed Sonata's Active Headcount crossing 7000 mark during the financial year with the gender diversity at 31%. **AGILE** (Action, Growth, Integrity, Learning and Empathy) remained a common language at Sonata to codify what we expect of each other. We implemented significant organizational transformation initiatives including Return to Office for all employees, a work-home-university model to enable Sonatians to focus on theirs and company's growth.

Under the aegis of Sonata University, the focus on Gen AI capability building continued. 93% of Sonatians are Level 1 Certified in Gen AI and ~40% trained in Level 2 and Level 3. Additionally, Gen AI is now embedded in every training program that we offer.

Team Sonata remains committed to judiciously accelerate the growth curve and build scale in terms of large clients, deals, markets, partnerships, and talent.



Financial Highlights

₹ in Lakhs

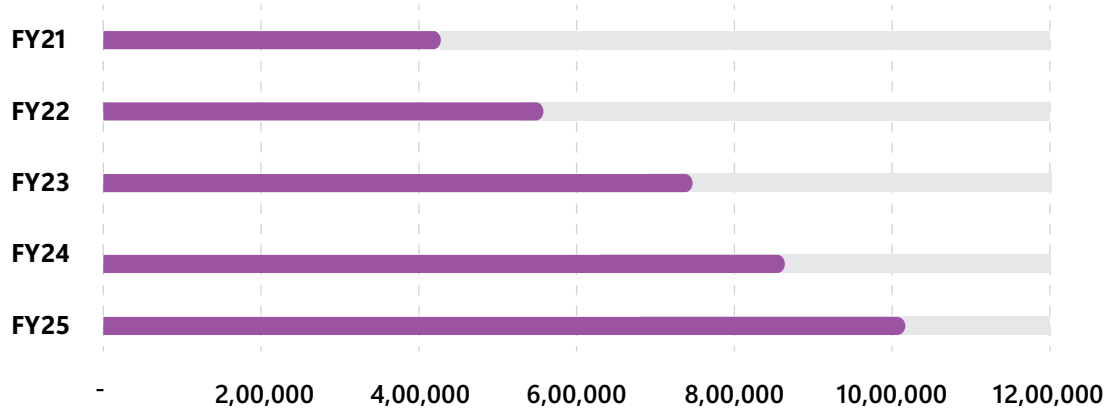
Key Financials	FY25	FY24	FY23	FY22	FY21
Net Sales	1,015,725	861,306	744,912	555,337	422,808
EBITDA	76,040	85,298	67,495	56,573	40,710
PAT	42,467	30,850	45,190	37,643	24,396
Net Worth	170,594	140,629	130,065	109,920	90,547
Debt	44,156	67,430	49,358	3,800	8,973
Debtors	174,093	160,508	123,622	92,195	61,579
Cash	48,086	85,376	74,754	87,639	64,811
Per Share Ratio (₹)					
EPS*	15.30	11.12	16.29	13.59	11.74
DPS	4.40	7.90#	15.75	21.00	14.00
BVPS*	60.83	50.15	46.38	39.20	43.04
Margin Ratio (%)					
EBITDA Margin	7	10	9	10	10
Net Profit Margin	4	4	6	7	6
RoE	27	23	38	38	31
RoCE	23	20	35	37	30

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

#Post bonus issue.

Key Financials	FY25	FY24	FY23	FY22	FY21
Net Sales	**1,015,725**	**861,306**	**744,912**	**555,337**	**422,808**

Net Sales (₹ in Lakhs)

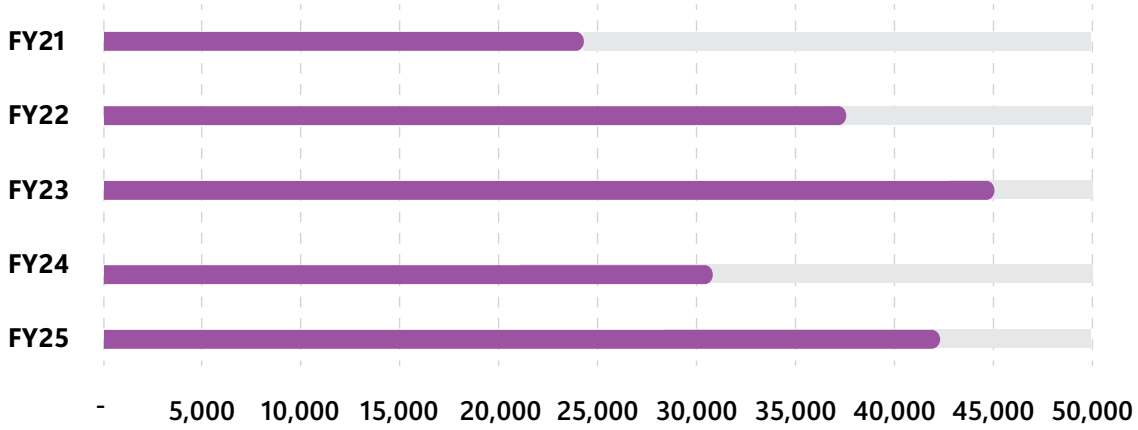


Y-o-Y Growth: 18%

5 year CAGR: 24%

Key Financials	FY25	FY24	FY23	FY22	FY21
PAT	42,467	30,850	45,190	37,643	24,396

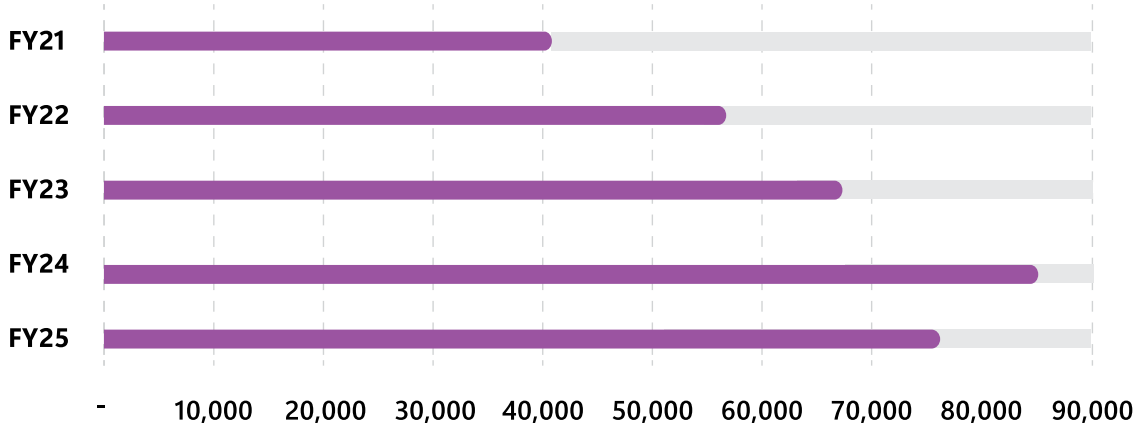
PAT (₹ in Lakhs)



Y-o-Y Growth: 38% **5 year CAGR: 15%**

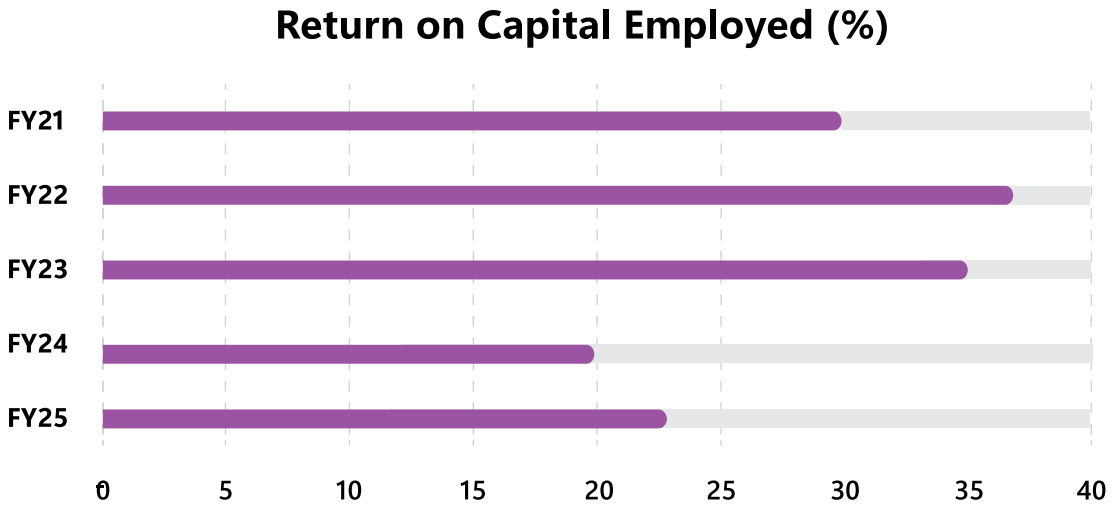
Key Financials	FY25	FY24	FY23	FY22	FY21
EBITDA	76,040	85,298	67,495	56,573	40,710

EBITDA (₹ in Lakhs)



Y-o-Y Growth: -11% **5 year CAGR: 17%**

Key Financials	FY25	FY24	FY23	FY22	FY21
RoCE	23	20	35	37	30







CLIENT SPEAK

Great job! The demo on AI enabled Hotel Image Contextual Information extraction solution was engaging, well-prepared, and clearly showed your progress, and I'm excited to see how this evolves.

I especially appreciate your thoughtful and innovative approach. Your teamwork really shines through. Keep it up!

Principal Engineer – Data and Innovation, A Large multinational leisure, travel and tourism company.

Big congratulations to the team on a successful release. Your hard work and dedication made this milestone possible. This solution harnesses AI to power smarter treatments and healthier people! Let's keep the momentum going. Great job, everyone!

Vice President- Engineering, An American technology company transforming Clinical Research.

Sonata's expertise in modernization helps organizations integrate AI into their existing systems efficiently.

Head of IT, A Professional and Commercial Equipment and Supplies Merchant Wholesalers.

Long term, committed resources, Flexibility to tweak operating models, Willing to invest in areas important to customers strategy.

Senior Director – IT, Leading Enterprise Cloud Data Management solutions provider.

I am pleased with Sonata and the Dynamic Margins team for their work, over the last year and beyond. The team has successfully achieved our strategic objectives for Dynamic Margins for AO, multiple versions of Dynamic flights for packages, cost optimization, DevOps transitioning, and addressing scalability and performance issues. I would like to take this opportunity to express my thanks and gratitude to the team.

Technology Lead, A Large multinational leisure, travel and tourism company.

As a whole, a lovely team to work with and have a great passion for quality. They'll go the extra mile to support quality outcomes to the best of their ability. Very satisfied with the management support to assist with time zone alignment and Training Plan to assist with team growth and shift left delivery approach, service delivery support has been invaluable.

IT QA & Test Lead, A speciality retailer of jewellery.

Your team exhibits an excellent attitude and culture. I appreciate your efforts in fostering such a strong team culture. Received appreciation from stakeholders as the team is extending support to FTE team when required even for new areas.

Over the last weekend, Sonata team supported for migrating thousands of databases across both F&O and CRM Database Tiers.

Principal Architect and Project Owner, A large global technology company.

Sonata is doing an excellent job in the transition and overall delivery of services. I have communicated this to their team and look forward to continued success with our partnership.

Corporate Applications Director, A premier medical and mental healthcare provider to vulnerable patients.

Big Appreciation to the team for delivering this critical project within given timelines. Together we all deserve a round of applause as we have delivered excellent quality work on time. All the functionalities are working as expected and no live issues reported. This is the best example of when teams come together and thrive to achieve one common goal. We may have fought numerous times, we may have pushed each other beyond achievable, but we have proved that, with right attitude and positive approach, all the low moments can be converted into great results. Special mention to the team, who always come up with quick and innovative solution and always volunteer at difficult times.

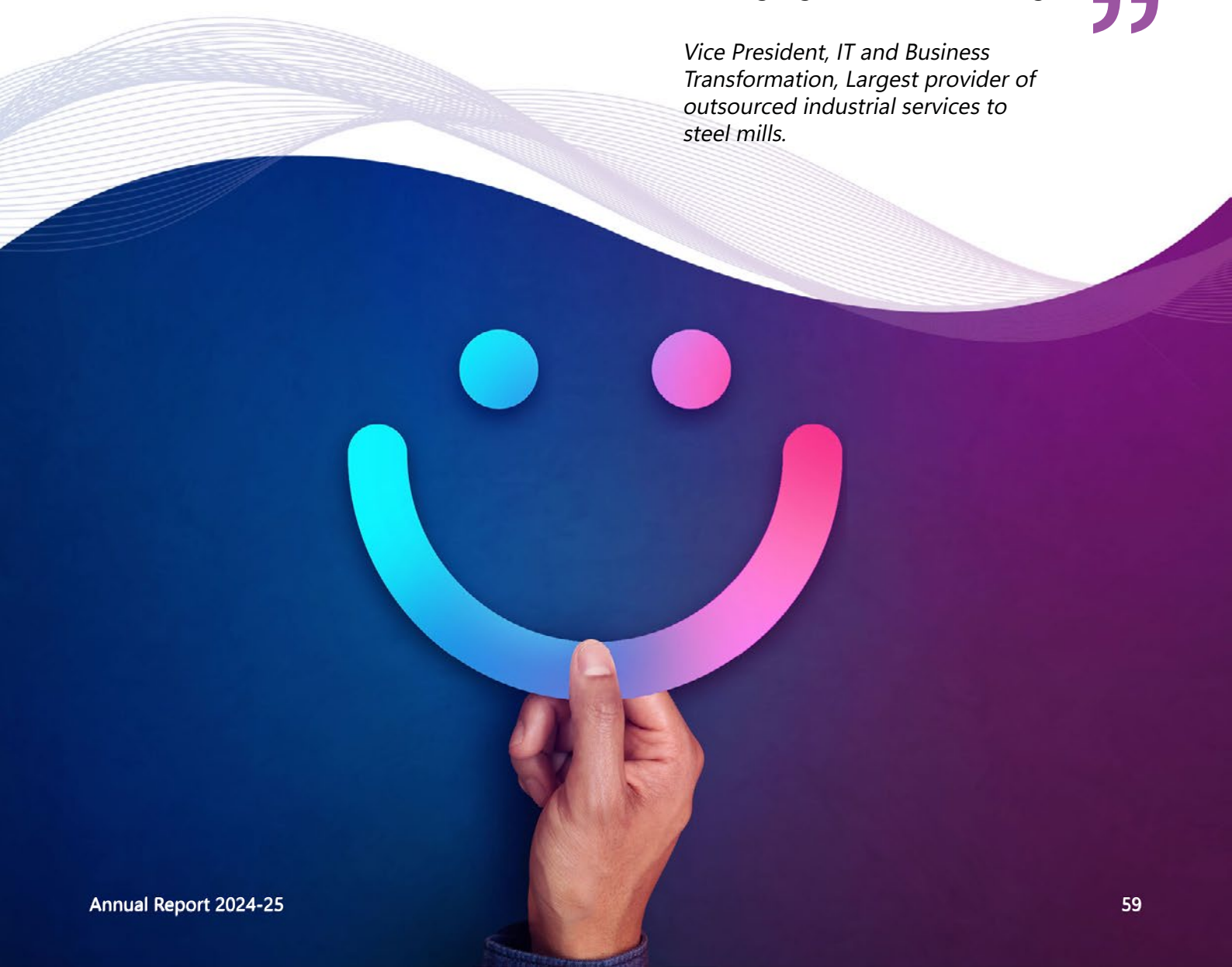
Product Manager, A leading Indian multinational bank and financial services company.

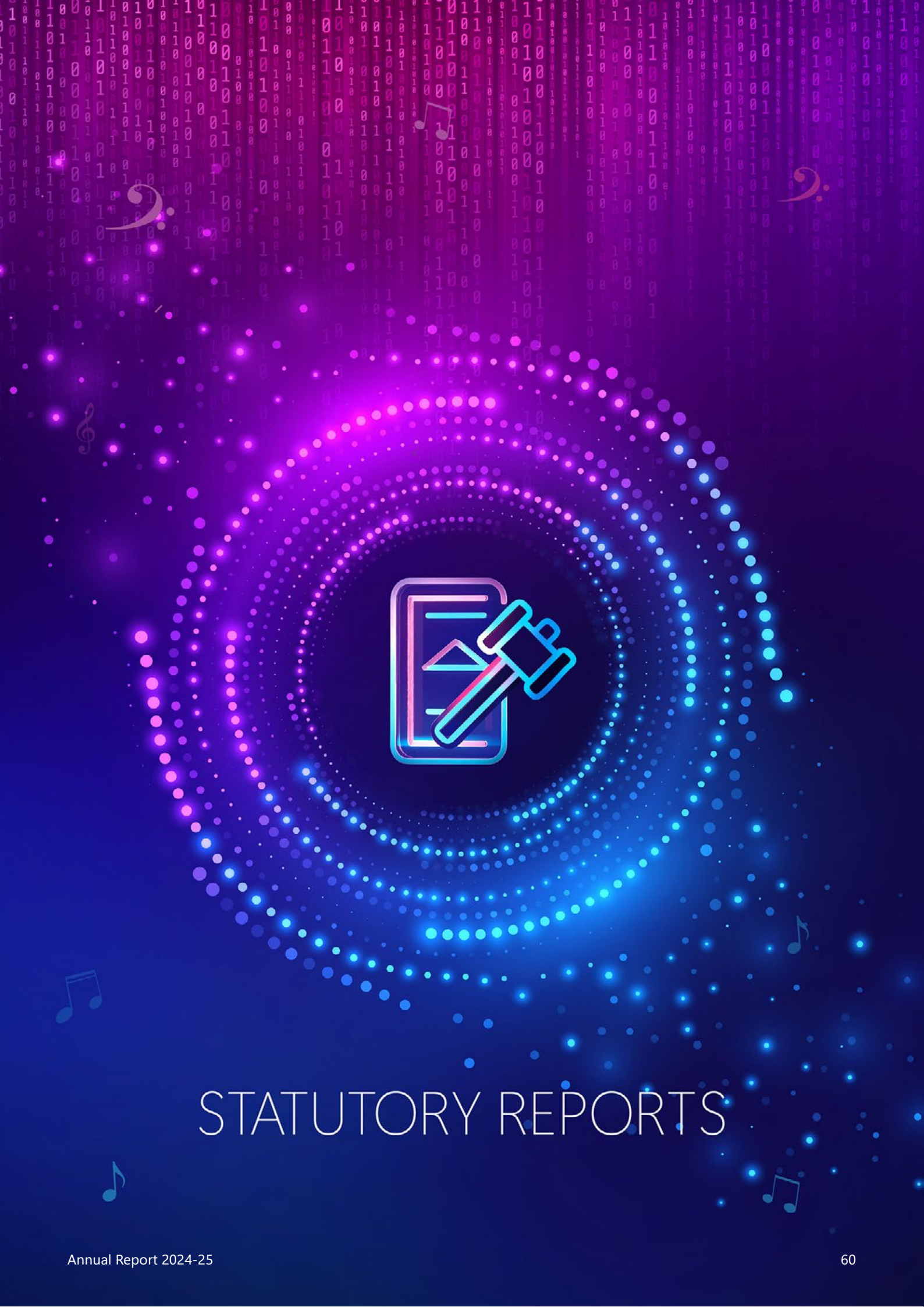
Team has delivered a new working solution under tight timelines. Team has built a bespoke customer hub which performs well, integrating with a complex ecommerce environment which itself is constantly undergoing changes. Team has showed very good professionalism in recognizing that we 'didn't have all the answers' and helped to define the requirements and build the solution (sometimes in parallel). Some team members were working on a number of concurrent activities and went extra mile stretching for long hours, and over their weekends.

Project Manager, A leading Australian retail conglomerate.

Sonata team has done a great job in taking up the challenge with the RMOG System replacement for us. The commitment has been great and working together to achieve the goal.

Vice President, IT and Business Transformation, Largest provider of outsourced industrial services to steel mills.





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
Chairman

S B Ghia
Director

Viren Raheja
Director

P Srikar Reddy
Executive Vice Chairman & Whole-time Director

Samir Dhir
Managing Director & CEO

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, Chairman
S B Ghia
Sanjay K Asher
Mona Ninad Desai

Stakeholders Relationship Committee
S B Ghia, Chairman
P Srikar Reddy
Samir Dhir
Mona Ninad Desai

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

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

Risk Management Committee
Surin Shailesh Kapadia, Chairman
Viren Raheja
P Srikar Reddy
Samir Dhir

SOLICITORS
M/s Dua & Associates
M/s B C Prabhakar Associates
M/s Chugh LLP
M/s Trilegal
M/s ALMT Legal
M/s K&L Gates LLP

AUDITORS
BSR & Co. LLP

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

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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 hitherto. 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 of 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 various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order 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 FY25, despite macro and industry level headwinds, Sonata Software continued to make strides towards its ambition of being a top quartile growth company, accelerating modernization at the intersection of AI and enterprise transformation.

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), with its focus on annuity business, continued to deliver consistent strong growth with industry leading ROCE.

Customer satisfaction remains at the heart of our business; Sonata achieved an impressive, aggregated Customer Satisfaction (CSAT) score.

Our deep collaborations with hyper-scalers like Microsoft, AWS, Salesforce, and Snowflake strengthened our ability to deliver cutting-edge AI solutions.

While Sonata remained a proud member of Microsoft Partner AI Council, achieving AWS Advanced Tier Services Partner and Gen AI Competency Partner status was no less feat.

FY25 witnessed Sonata Software crossing 7,000-headcount mark globally during the financial year and we continued to focus on building a gender/ethnically diverse talent pipeline.

Industry recognition and accolades kept us steadfast. Brand Finance India 100 2024 adjudged Sonata as one of the Top 3 fastest-growing Indian brands with an 83% increase in its brand value. HFS featured Sonata in 'Fastest Six Service Providers' list. And winning a WOW (Workplace of Winners) Award, in IT, ITeS and GCC category was particularly meaningful as it reflects the sentiments of Sonatians and our pride in being part of this organization.

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 Environment

According to World Economic Outcome Update, economic uncertainty seems to be the biggest factor determining the path that countries take in 2025. But numbers will remain mostly in growth territory, barring a few exceptions.

Global growth is projected at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%. While Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026.

With economic and geopolitical uncertainty business leaders will focus on agility and profitability.

Global IT Spending would be influenced by Gen AI

According to Gartner, Worldwide IT spending is projected to total $5.61 trillion in 2025, growth of 9.8% from 2024.

Global IT spending would be driven by rise of Gen AI is forecasted to surpass $7 trillion in 4 years. By 2028, Gen AI will account for over $1 trillion in spending, including the new markets, such as AI models, specialized AI-managed services and AI-optimized IaaS. AI expectations is driving CIOs' focus to shift toward Gen AI solutions delivered from technology partners in 2025.

Worldwide IT Spending Forecast (Billions of U.S. Dollars)

	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
IT Services	1,588.1	5.6	1,731.5	9.0
Data Centre Systems	329.1	39.4	405.5	23.2
Devices	734.2	6.0	810.2	10.4
Software	1,091.6	12.0	1,246.8	14.2
Communications Services	1,371.8	2.3	1,423.8	3.8
Overall IT	5,114.8	7.7	5,617.8	9.8

Source: Gartner (January 2025)





The Top Strategic Technology Trends for 2025

Agentic AI

Agentic AI systems autonomously plan and take actions to meet user-defined goals. It offers a virtual workforce that can offload and augment human work.

Agentic AI has the potential to realize CIOs' desire to increase productivity across the organization. This motivation is driving both enterprises and vendors to explore, innovate and establish the technology and practices needed to deliver this agency in a robust, secure and trustworthy way.

According to Gartner prediction Agentic AI will resolve 80% of common customer service issues without human intervention by 2029 leading to a 30% reduction in operational costs.

AI Governance Platforms

AI governance platforms have the capability to create, manage and enforce policies for responsible AI use, explain how AI systems work and provide transparency to build trust and accountability.

Gartner predicts that by 2028, organizations that implement comprehensive AI governance platforms will experience 40% fewer AI-related ethical incidents compared to those without such systems.

Disinformation Security

Disinformation Security aims to provide methodological systems for ensuring integrity, assessing authenticity, preventing impersonation and tracking the spread of harmful information.

By 2028, Gartner predicts that 50% of enterprises will begin adopting products, services or features designed specifically to address disinformation security use cases, up from less than 5% today.

Hybrid Computing

Hybrid computing combines different compute, storage and network mechanisms to solve computational problems. This form of computing helps organizations explore and solve problems which helps technologies, such as AI, perform beyond current technological limits. Hybrid computing will be used to create highly efficient transformative innovation environments that perform more effectively than conventional environments.

(Source: Gartner)

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According to Gartner prediction Agentic AI will resolve 80% of common Customer service issues without human intervention by 2029 leading to a 30% reduction in operational costs.

Enterprises leveraging agentic AI, the service experience will undergo transformation. AI agents will not only provide information but will also act, such as navigating websites to cancel memberships or negotiating optimal shipping rates on behalf of business customers. Beyond these delegated tasks, agentic AI holds the potential for proactive issue identification and resolution.

Agentic AI leads a new paradigm where AI systems possess the capability to act autonomously to complete tasks. Both customers and organizations will leverage this technology to automate interactions with AI agents.

Service organizations must look for changes in the nature and volume of interactions, which will redefine the relationship between service teams and their customers, open new avenues for value delivery, and alter the landscape of customer data collection. To prepare, customer service and support leaders should:

- **Prepare for Automation:** Anticipate more automated interactions from AI agents and invest in scalable infrastructure and optimize self-service channels to manage agent traffic.
- **Revise Service Models:** Update models to handle AI-driven service volume and implement dynamic routing to differentiate between human and AI interactions.
- **Set AI Interaction Policies:** Develop guidelines for AI-led interactions, addressing data privacy, security, and escalation.
- **Collaborate with Product Teams:** Partner to integrate agentic AI into products for proactive issue detection and reduced reliance on external AI.

(Source: Gartner)



Verticals & Markets

Accelerating AI-Powered Transformation with Purpose

USA

As part of our growth strategy, we've reimagined our US operations to drive innovation and modernization through AI-creating seamless, intelligent ecosystems that work in concert across industries.

Guided by our Responsible-first philosophy and powered by Harmoni.AI, we are orchestrating AI across two strategic verticals:

Invest Verticals – Banking, Financial Services and Insurance (BFSI) and Healthcare and Life Sciences (HLS) – where AI acts as a transformative force, fostering resilience, intelligence, and adaptability.

Harvest Verticals – Telecom, Media and Technology (TMT) and Retail and Manufacturing – where Sonata Software fine-tunes AI to optimize operations, enhance customer experiences, and shape future-ready businesses.

Together with our partners, we are creating a symphony of innovation, ensuring AI serves as a force for good-harmonizing people, processes, and technology to unlock new possibilities.

AI Transformation in BFSI: Shaping the Future of Financial Services

In FY25, the BFSI industry faced significant headwinds, from a slowing global economy to rising interest rates and growing competition from fintech disruptors. Banks are under increasing pressure to innovate and find new revenue streams while managing costs, navigating regulatory changes, and addressing the rising threat of cyberattacks. With customers demanding more personalized services and seamless digital experiences, BFSI companies must balance efficiency with innovation to stay ahead. With a sharp focus on customer retention, cost optimization, and driving innovation, Sonata is primed to partner with BFSI clients to advance these priorities with cutting-edge AI solutions.

Key Focus Areas

- **Elevating Customer Experience**
  Sonata's Customer360 AI platform offers an integrated view of customer interactions across various banking products and channels (both structured and unstructured). By leveraging AI-driven analytics, we help banks unlock deeper insights into customer behavior and preferences, allowing them to deliver highly personalized experiences. This enables banks to optimize marketing efforts, recommend relevant products, and build stronger, more engaging relationships with customers-ultimately driving loyalty, increasing revenue, and improving customer satisfaction.



- **AI-Powered Operational Efficiency**
  Our Gen AI Modernization Framework is transforming the lending and mortgage process by automating document validation and accelerating credit decisions. With pre-built accelerators and AI-driven data models tailored for lending, Sonata enables banks to streamline operations, reduce processing time, and make faster, smarter decisions.

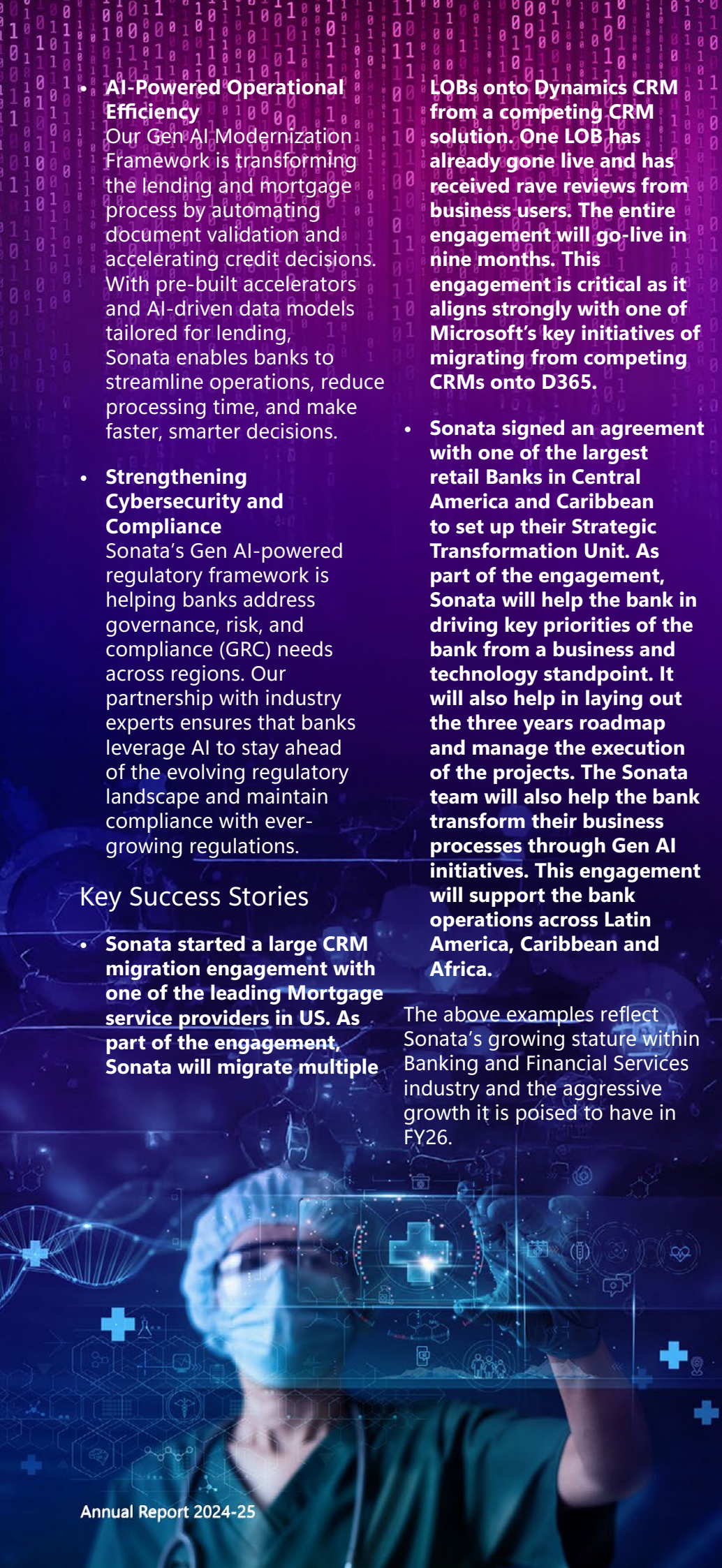
- **Strengthening Cybersecurity and Compliance**
  Sonata's Gen AI-powered regulatory framework is helping banks address governance, risk, and compliance (GRC) needs across regions. Our partnership with industry experts ensures that banks leverage AI to stay ahead of the evolving regulatory landscape and maintain compliance with ever-growing regulations.

Key Success Stories

- **Sonata started a large CRM migration engagement with one of the leading Mortgage service providers in US. As part of the engagement, Sonata will migrate multiple LOBs onto Dynamics CRM from a competing CRM solution. One LOB has already gone live and has received rave reviews from business users. The entire engagement will go-live in nine months. This engagement is critical as it aligns strongly with one of Microsoft's key initiatives of migrating from competing CRMs onto D365.**

- **Sonata signed an agreement with one of the largest retail Banks in Central America and Caribbean to set up their Strategic Transformation Unit. As part of the engagement, Sonata will help the bank in driving key priorities of the bank from a business and technology standpoint. It will also help in laying out the three years roadmap and manage the execution of the projects. The Sonata team will also help the bank transform their business processes through Gen AI initiatives. This engagement will support the bank operations across Latin America, Caribbean and Africa.**

The above examples reflect Sonata's growing stature within Banking and Financial Services industry and the aggressive growth it is poised to have in FY26.



Sonata remains deeply aligned with the BFSI sector's evolving priorities, committed to driving its digital transformation journey with innovative AI solutions that fuel growth, efficiency, and security.

Revolutionizing Healthcare and Life Sciences (HLS) with Gen AI and Automation

Across the Healthcare and Life Sciences (HLS) industry, enterprises across the care continuum face significant challenges driven fragmented and siloed systems, data overload from variety/velocity and volume, and the increasing complexity of regulatory compliance. Especially in the US, the cost to care for the patients has been exponentially rising, from cost of specialty drugs to HCPs' out-of-pocket fees and rising health insurance premiums. While on the Enterprise front, the margins are continuously declining, with major Providers at low-single digit margins, to Health Insurance finding it difficult to sustain low teens margins. On the other hand, Pharma and MedTech firms, continue to face challenges due to supply chain issues, rising R&D costs due to delayed Clinical trials, increasing cost in compliance and regulatory.

To address these hurdles, HLS organizations increasingly turn to novel solutions that streamline and automate business operations, integrate systems for faster decision making, and create personalized patient and user experiences.

HLS being an Invest Vertical at Sonata, we have invested extensively to build industry solutions that address these

challenges by bringing in Industry mindset and apply practical approaches, proprietary technology frameworks. We work with Industry advisors across the care continuum to ensure our solutions are practical and can drive the change. Sonata HLS is at the forefront of driving AI innovation across the value chain, improving patient outcomes, boosting business performance, and ensuring regulatory compliance. Also focusing on optimizing workflows, reducing costs, and empowering healthcare professionals to deliver better care while staying ahead of regulatory changes.

Key Focus Areas

- **Preclinical and Clinical Operations support: Enhanced Drug Discovery and Proactive risk identification in Clinical Trials**
  For Preclinical – Sonata is Leveraging AI-powered intelligent assistants, to provide curated insights and data to accelerate the research process. By streamlining research workflows, summarizing critical insights from pre-existing scientific journals and whitepapers we have reduced time/effort for the R&D scientists and lab technicians by upto 24%.
  For Clinical Operations – we are working with a leading Pharma and Clinical Trials platform company to build a state-of-art integration platform which can break silos in a Clinical Operations setup, seamlessly integrate multiple systems and provide critical insights that can help proactive risk identification for Studies, Sites, Subjects thereby potentially reducing delays in Clinical Trials that can cost millions of dollars to the Pharma/MedTech enterprises and optimize time-to-market for life saving drugs.

- **Automation-Focused Operational Efficiency**
  In response to the cost pressures facing HLS organizations, we offer AI-powered solutions like Pharma 4.0, driven by Harmoni.AI and IntelliQA. These solutions optimize workflows, reduce waste, and enhance regulatory compliance, all while lowering operational costs and increasing overall productivity.

- **Improving Patient Outcomes with Automation**
  Partnering with Digital Health (DxP) companies, we develop AI-based solutions that empower healthcare professionals to make data-driven decisions. These innovations improve patient care by providing real-time insights, enhancing diagnosis, and reducing overall healthcare costs.

- **AI-Powered Compliance and Risk Management**
  Our Gen AI-powered GxP framework and SDLC platform simplify compliance for HLS organizations, ensuring seamless integration with regulatory standards.
  Our data-driven risk and compliance framework uses AI to continuously assess and enhance security, safeguarding sensitive health data and ensuring regulatory adherence.

Through these AI-driven innovations, Sonata continues to lead the charge in transforming the HLS industry, helping organizations navigate challenges, deliver exceptional patient outcomes, and thrive in an increasingly digital and regulated world.

Key Success Story

HLS is one of the fastest growing Business Unit for Sonata and in FY25, we successfully closed one of the largest deals in the history of the organization with a leading Healthcare Provider. Moreover, we acquired many marquee logos across Pharma, Digital Health and Healthcare Insurance/Payers. This underscores our commitment to being a top-quartile growth company and reinforces our investment philosophy towards an industry where we can apply Sonata's deep technology expertise to solve business critical problems. We are confident that this approach would consistently differentiate us in the long term, as is evident from the Analyst recognitions we received in FY25 for Healthcare Payer survey conducted by HFS.

We won one of the largest contracts in Sonata's history with a leading Healthcare client, which focuses on providing mental and care services. As part of the deal, Sonata would provide end-to-end IT services for the client, from Infrastructure, Applications, Data and Transformation. Sonata has also rebadged most of the client's IT teams to ensure business continuity, while driving tech modernization at scale across the landscape. Sonata would also be leveraging strong Healthcare Provider proprietary technology frameworks to ensure seamless integration with partner ecosystem for on-time care delivery to patients.

Powering Retail, Manufacturing, Travel and Distribution

Retail: Building the Future of Connected Commerce

Retailers are operating in a dynamic environment shaped by hyper-personalization, omnichannel demands, and rapid technological advancement. The convergence of AI, predictive analytics, and automation is redefining how brands engage customers and manage operations. Sonata's Connected Retail framework is designed to help retailers reimagine experiences across the value chain-from customer touchpoints to fulfillment centers.

Strategic Focus Areas in Retail

- **AI-Enabled POS Modernization:** Intelligent point-of-sale systems integrated with real-time analytics enable retailers to deliver personalized experiences, optimize inventory, and enhance customer loyalty at the checkout.
- **Digitized In-Store Experiences:** AI and automation technologies are transforming physical stores into data-driven environments, improving associate productivity and customer engagement through intelligent service delivery.
- **D2C (Direct-to-Consumer) Enablement:** With AI-powered segmentation and behavioral insights, retailers can tailor product offerings, streamline D2C channels, and boost brand affinity and conversion rates.
- **Resilient, Data-Driven Supply Chains:** AI-powered predictive analytics help retailers proactively manage risks, reduce lead times, and optimize logistics operations for greater agility and resilience.
- **Automated Fulfillment and Logistics:** Smart automation and real-time inventory intelligence drive efficient order orchestration, ensuring faster, more accurate fulfillment across channels.

Manufacturing: Enabling AI-Optimized Operations

Manufacturing enterprises are increasingly adopting intelligent automation to address challenges such as supply chain volatility, mass customization, and cost pressures. Sonata delivers scalable AI-driven solutions that support Smart Manufacturing, Industry 4.0, and predictive decision-making-transforming traditional production lines into adaptive, digital ecosystems.

Strategic Focus Areas in Manufacturing

- **AI-Driven Supply Chain Optimization:** End-to-end visibility and advanced forecasting powered by machine learning enable manufacturers to make data-informed decisions, reduce disruptions, and improve service levels.
- **Automated and Adaptive Production:** By deploying AI and robotics, Sonata helps manufacturers enhance throughput, reduce waste, and optimize equipment utilization while maintaining quality standards.
- **Intelligent Distribution Networks:** Our AI-enhanced platforms enable real-time response to market demand and logistics variables, allowing for dynamic routing and capacity planning across distribution hubs.
- **Customer-Centric Product Innovation:** Leveraging real-time consumer insights, manufacturers can personalize offerings, innovate faster, and improve lifecycle value through continuous feedback loops.

By blending cutting-edge AI with real-time data analytics, Sonata is enabling the next generation of 'Connected Retail' and AI-Optimized Manufacturing, while also helping businesses across industries unlock new revenue streams and operational efficiencies. Our solutions are designed to adapt to evolving market dynamics while delivering enhanced customer satisfaction and stronger business.

Key Success Story

Sonata Software has had the privilege of partnering with a leading shipping, transportation, and logistics company for over a decade. This long-term commitment reflects their confidence in Sonata Software's expertise and our ability to continue delivering high-quality services. It stands as a testament to our deep client relationships and dedication to driving business success. Leveraging our proven track record and the trust we've built; we successfully secured a three-year multi-million dollar large deal.

Technology Media and Telecom: Empowering Digital Transformation with AI

The Technology Media and Telecom, (TMT) sector is at the forefront of digital innovation, adapting to changing consumer behaviors and emerging technologies. With cloud computing laying the foundation for scalability, cost-efficiency, and data security, these sectors are embracing AI and automation to drive growth, improve customer experiences, and enhance product development.

In an increasingly data-driven world, AI, machine learning, and Gen AI are becoming pivotal tools for transforming how companies engage with customers, design products, and operate efficiently. From personalized content recommendations to real-time decision-making powered by edge computing, AI is reshaping every facet of the TMT sector.

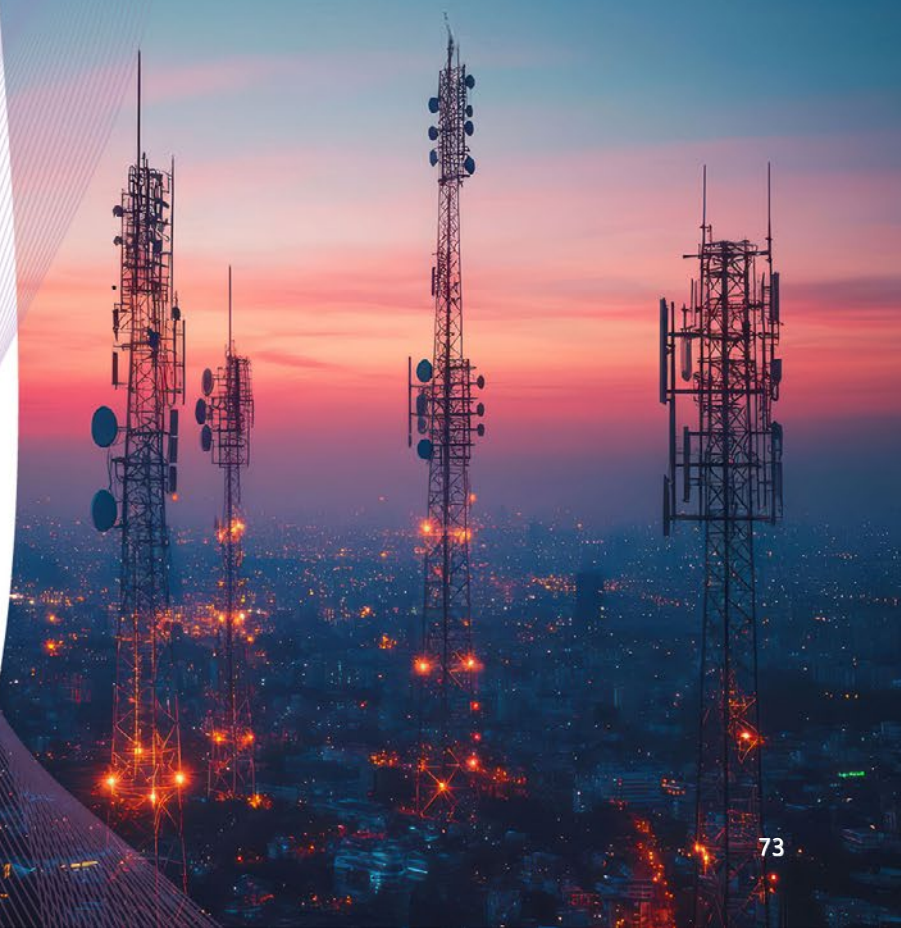
Key Focus Areas

- **Optimizing Engineering and Product Development with AI**
  We leverage AI, machine learning, and Gen AI to revolutionize engineering processes, enabling faster, smarter development of products and platforms that meet evolving customer expectations.
- **Enhancing Customer Experience Across Touchpoints**
  AI is enhancing customer lifecycle management by driving personalization, ensuring tailored experiences, and improving engagement throughout the journey.
- **Boosting Developer Productivity with AI**
  AI-driven development tools and automation streamline the development process, accelerating time-to-market and enabling developers to focus on high-value tasks.
- **Unlocking the Power of Data**
  Our comprehensive data products harness AI to drive insights, streamline processes, and fuel decision-making across organizations, ensuring greater operational efficiency.

Through these initiatives, Sonata is empowering TMT companies to stay ahead in an AI-first world, delivering tangible results and accelerating their digital transformation journey.

Key Success Story

A global technology leader partnered with Sonata to elevate customer experience and technical support across its diverse product portfolio. Sonata is providing on-demand technical product support through a globally distributed network, enabling timely, localized assistance. By continuously refining support processes based on real-time feedback, our team is helping the client drive customer engagement, improve response times, and optimize overall support operations in an evolving digital landscape.



Sonata Software and Microsoft: Leading AI Innovation for Global Enterprises

Sonata Software is a strategic, long-standing partner of Microsoft, proudly ranked as one of our top five Platinum accounts. Celebrating a 30-year legacy of delivering cutting-edge solutions across business applications, data and AI (Azure), digital and app innovation, infrastructure, modern work, and security, this enduring partnership allows us to leverage the power of Microsoft technologies, driving the digital transformation of enterprises worldwide.

As the exclusive Indian SI partner for the launch of Microsoft Fabric, we are at the forefront of helping organizations modernize their global data estate with this game-changing platform. Our unique combination of intellectual property (IPs) and global capabilities enables us to speed up adoption, transforming how businesses manage and process data with speed, efficiency, and intelligence.

Sonata is also honored to be a member of the Microsoft AI Partner Council, a select group of global partners advancing AI adoption on Microsoft Azure. Through our Sonata Harmoni.AI platform, we empower enterprises to accelerate their AI journey, integrating seamlessly with Microsoft's AI services to unlock new possibilities in automation, machine learning, and data-driven decision-making.

Global Presence

Our global presence across delivery centers in India, the US, Canada, Mexico, Malaysia, and Egypt, enables us to provide unparalleled support for Microsoft projects across the globe. With a team of Microsoft-certified professionals, we deliver high-quality, cost-effective solutions, ensuring seamless execution of AI initiatives and digital transformations.

Sonata is committed to expanding our partnership with Microsoft, addressing new challenges, and driving the future of AI innovation. Together, we continue to push the boundaries of what's possible in the AI and digital transformation landscape, empowering enterprises to thrive in a rapidly evolving world.

UK and Ireland

The UK IT services market, valued at approximately £60 billion, stands as a key player in the region, ripe for growth fuelled by digital transformation, cloud adoption, and emerging business demands.

In this dynamic landscape, Sonata UK is harnessing its expertise in modernization engineering, alongside strategic investments in AI, cloud, and analytics, to help customers thrive in an increasingly complex environment. Amidst the challenges of the macroeconomic climate, organizations are looking to automation and AI to enhance productivity, streamline operations, and create exceptional customer experiences.

Sonata is strategically positioned to lead businesses through their transformation journey, capitalizing on emerging trends across diverse industries such as Retail and Consumer Goods, Manufacturing, Telecom, Health and Life Sciences, Travel, Transport, Hospitality, and Banking, Financial Services, and Insurance.

Our tailored, industry-centric approach, powered by global best practices and a hybrid workforce, ensures we're the trusted partner for organizations seeking to leverage automation and AI-driven innovation in:

AI-Driven Business Transformation

- **AI & Automation Adoption**
  Harnessing the power of AI and machine learning to optimize operational processes, drive efficiency, and deliver a personalized customer experience.
- **Modernization of Legacy Systems**
  Replacing outdated infrastructure with cutting-edge, AI-enhanced platforms to enhance scalability and performance.

Cloud-Enabled Growth

- **Cloud Computing for Flexibility and Efficiency**
  Delivering AI-powered, scalable cloud solutions to maximize flexibility and cost-efficiency while optimizing business operations.
- **Seamless Hybrid and Multi-Cloud Strategies**
  Utilizing AI to streamline cloud management, optimize workloads, and ensure continuous service availability.

Data Analytics and Predictive Intelligence

- **Actionable Insights with AI Analytics**
  Leveraging big data, AI, and machine learning for smarter, predictive decision-making and automation of critical workflows.
- **Data-Driven Performance Enhancement**
  Using AI-powered insights to refine strategies, improve productivity, and accelerate time-to-market.

AI-Powered Managed Services

- **Intelligent Automation for Cost Efficiency**
  Reducing operational costs through intelligent outsourcing and automation across IT functions.
- **Expertise on Demand**
  Accessing AI-driven tools and expertise through managed services, enabling faster innovation and digital maturity.

Sonata is helping organizations in UK and Ireland to navigate their digital transformation and scale new heights in productivity, operational efficiency, and customer satisfaction.

Key Success Stories

In FY25, Sonata helped many of its clients in the UK and Ireland market to successfully modernize their legacy platforms to move to new AI-led, scalable, and future-ready platforms.

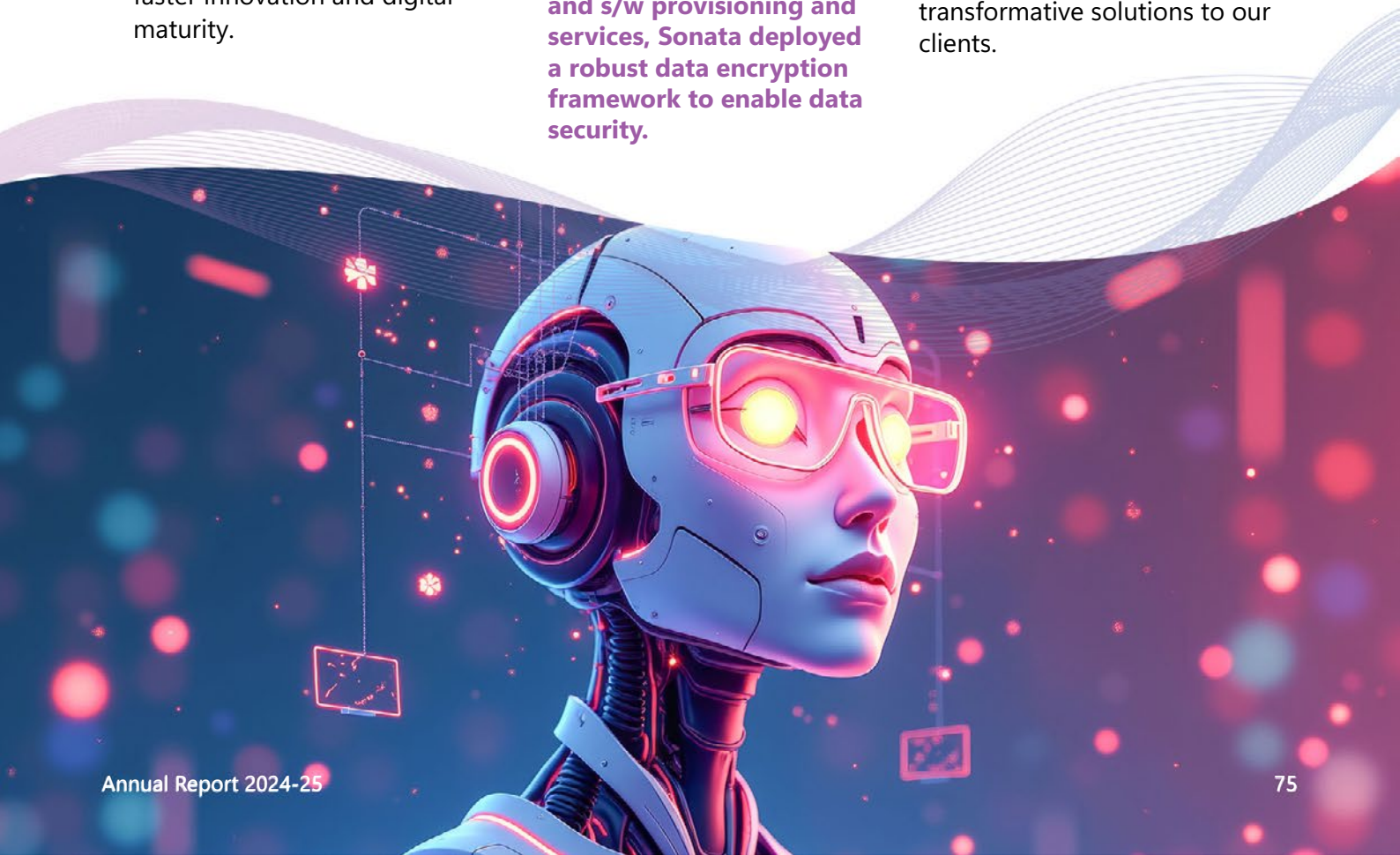
- **For a global fragrance manufacturing client, the core ERP platform was modernized to a cloud-based Microsoft Dynamics enterprise platform across many of its entities and countries. Sonata modernized the legacy platforms for a B2B client in the beverage industry to improve time-to-market.**
- **For one of Europe's largest information technology providers dealing with h/w and s/w provisioning and services, Sonata deployed a robust data encryption framework to enable data security.**

By blending AI, cloud computing, data analytics, and automation,

- **Sonata helped its client in the QSR industry to optimize the supply chain to improve store efficiencies. We also redesigned and re-architected their Disaster Recovery processes to drive 100% availability during the peak business season.**
- **We won a large end-to-end AI-driven managed services contract spanning across their global locations with one of the world's largest packaging enterprises.**

Europe

In Europe, Sonata has undergone a strategic evolution, focusing on harnessing emerging AI and automation capabilities to fuel growth and innovation across multiple industries. This focused approach has enabled us to capitalize on significant business opportunities, leveraging the power of Gen AI, cloud, and data analytics to deliver transformative solutions to our clients.



Accelerating Client Success with AI and Automation

A cornerstone of our growth has been the successful deployment of Microsoft D365 across a global client's entities, showcasing our expertise in driving seamless digital transformations at scale. This deployment not only strengthened our relationship with Microsoft but also exemplified our ability to help clients enhance operational efficiency and streamline their business processes through AI-powered automation.

Breaking New Ground in Telecom

Our entry into the Telecommunications sector has been marked by strategic partnerships with one of Europe's largest telecom providers. Through the infusion of AI, machine learning, and automation, we are helping transform telecom operations, driving network optimization, and enhancing customer experiences. This breakthrough sets the stage for expanding our Telecom business across Europe, with a strong emphasis on AI-driven operational efficiency.

Expanding Strategic Alliances in the AI Space

Sonata's collaboration with Microsoft continues to grow, particularly in the Nordics, where we've played a key role in bringing Microsoft's Fabric to life for our clients. We are also extending our AI-focused offerings in the broader European market, with solid partnerships established in Sweden and Germany, as demand for AI-driven data analytics, automation, and cloud solutions soars. This partnership strengthens our position in the marketplace and positions us as a trusted AI partner for global organizations navigating their digital journeys.

Additionally, Sonata's commitment to advancing AI and cloud technologies is further evidenced by our partnership with Snowflake, positioning us as a key player in the European data cloud ecosystem. This collaboration will enable us to empower businesses with AI-powered data analytics and cloud solutions that are crucial for modernizing their data strategies and unlocking new business value.

Investing in AI-Centric Infrastructure

As demand for AI and automation solutions continues to rise, Sonata has made a strategic investment in a new nearshore development center in Poland. This center is designed to meet the increasing need for AI and automation expertise, providing organizations across Europe with access to cutting-edge Gen AI technologies. This expansion further strengthens our ability to deliver cost-optimized, innovative solutions and modernize legacy infrastructures to drive efficiency and growth for our clients.

In essence, Sonata Europe is on a transformative journey, driven by AI, automation, and cloud technologies, positioning us at the forefront of the industry. Our continued focus on innovation and client success ensures that we are well-equipped to support businesses in embracing the future of AI-powered transformation.

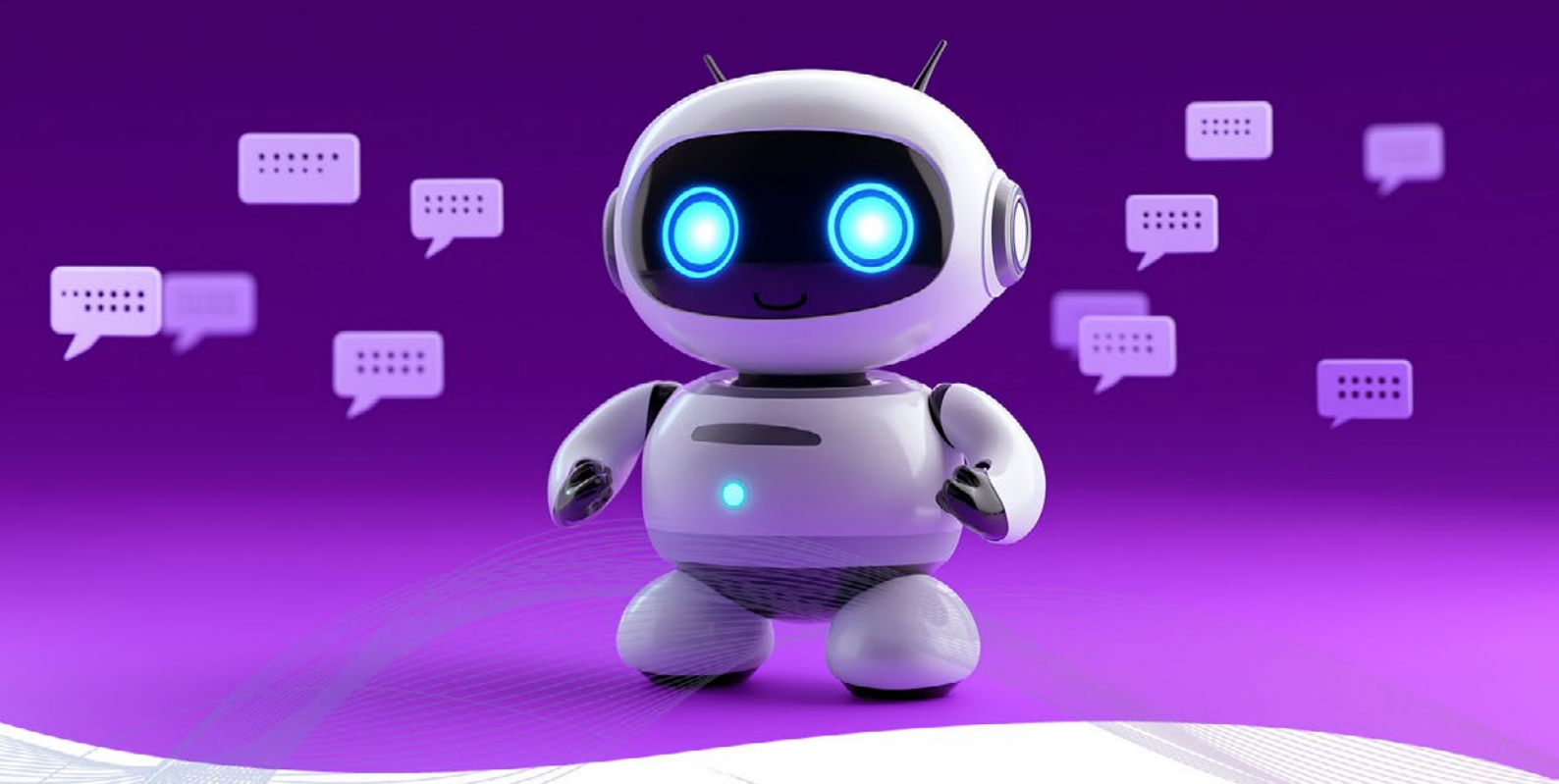
Key Success Stories

- **Sonata won a multi-country ERP transformation program for a large global technology company specializing in the manufacturing of underground equipment and applications.**
- **For a large manufacturing company headquartered in the Netherlands with its operations spread across the globe, Sonata successfully modernized its legacy business applications through AI-driven cloud-based ERP platform following its Platformation™ methodology.**

ANZ

The ANZ market is evolving at a rapid pace, with businesses increasingly turning to technology to stay competitive. The region's growth is driven by the need for innovation and efficiency, while businesses must navigate economic fluctuations, rising operational costs, and complex decision-making landscapes. Organizations are adopting innovative solutions to enhance operational efficiency, drive growth, and deliver exceptional customer experiences.

Sonata is at the forefront of this transformation, harnessing the power of advanced AI and automation to help businesses across key sectors such as Retail and Manufacturing unlock their full potential. By aligning cutting-edge technology with strategic business needs, we are enabling organizations to thrive in a dynamic and ever-changing landscape.



Empowering Retail and Manufacturing with AI and Automation

The Retail and Manufacturing sectors in ANZ are undergoing rapid transformation, with AI and automation leading the way. The rise of e-commerce, omnichannel integration, and data-driven personalization has changed how businesses interact with consumers.

Sonata's AI-powered solutions are helping businesses optimize supply chains, streamline operations, and deliver contactless shopping experiences that increase efficiency while reducing costs.

By using Gen AI and machine learning algorithms, we assist clients in anticipating market trends, enhancing product recommendations, and improving customer service. Our solutions are transforming supply chain management with predictive analytics, enabling smarter decisions and faster, more resilient operations.

Optimizing Legacy Operations

Our strategy focuses on modernizing IT infrastructures using AI and automation to enhance customer and employee experiences. From applications to data and infrastructure, Sonata is helping organizations optimize their systems, reduce operational costs, and improve business processes. By integrating AI into core operations, we are providing the tools necessary for businesses to automate manual tasks, streamline workflows, and significantly improve overall engagement with their stakeholders.

Strategic Partnerships to Accelerate Innovation

Sonata's collaboration with strategic partners such as Microsoft enables us to deliver cutting-edge AI solutions. With technologies like MS Data Fabric and cost-reduction tools, we are driving AI-led business transformations across ANZ. Our goal is to continuously deliver value to our clients by ensuring their businesses benefit from innovative, AI-driven solutions that lower operational costs and foster growth.

Transitioning to AI-Centered Revenue Models

Sonata is transforming its revenue mix by shifting from a project-centric model to a more predictable, annuity-based approach. This transition, powered by AI and automation, ensures continuous value delivery to clients through subscription-based models and ongoing support. This strategy is aligned with our focus on securing larger, long-term engagements in Retail, Manufacturing, and Financial Services, with an emphasis on AI-driven solutions for sustainable growth.

Investment in Automation IP and Tools

Sonata remains committed to investing in AI-driven intellectual property (IP) and tools that deliver cost-effective solutions to our clients. Our focus is on creating scalable, AI-powered platforms and products that enable businesses to harness the power of automation and data analytics. With these investments, we aim to increase operational

efficiencies, improve service delivery, and ensure long-term success for our clients in ANZ.

Sonata is poised to lead the AI-driven transformation across the ANZ region. By integrating cutting-edge AI and automation solutions, we are enabling businesses to drive cost efficiency, streamline operations, and improve customer experiences, ensuring sustainable growth even in a challenging market.

Key Success Stories

The ANZ business continues to grow with several new logo wins and growth through expansion into existing accounts. However, the true value of Sonata is in the delivery of these projects. FY25 saw several of our clients realise value in their investments with their projects going live and supporting their business, a few examples are:

- **Large Earthmoving Equipment Distributor – We continue to grow with this client across several areas, what started off as a support multi-year contract as taken us into a number of new initiatives which were won and implemented last year. A key initiative was to help build functionality on their Dynamics ERP to cater for a new regulatory compliance requirement in Malaysia. This went live successfully within the timelines and earned Sonata much praise from the client. Last year we also won and delivered in the areas of Automation, Integration, Testing and Infrastructure managed services for them**
- **Large Homeware Retailer – This was a marque Transformation Project that was involved with the revamp of their customer relationship and data management platforms creating a new Customer Hub system to meet their operational and customer experience requirements. The objective of this program was to enhance data accuracy, streamline operations, and improve the overall customer experience. This program also helped them significantly reduce cost of doing business.**
- **Large Packaging Manufacturer – Sonata delivered successfully on time and budget for this client a D365 based Finance and Operations system for their Sri Lanka operations.**
- **A Large Fashion Retailer with over 100 outlets – Sonata delivered for this client a new D365 Finance and Operations system to run their store and online business.**
- **A Large Jewellery Chain – We delivered a very successful testing program that enabled them go-live on their transformation initiative this year.**

APAC

India has established itself as a powerhouse for Global In-house Centers (GICs) in the APAC region. This is largely due to its dynamic talent pool, strong IT infrastructure, and cost-effectiveness, making it a hub for innovation and operational excellence. Sonata recognizes the immense potential of this landscape and is strategically aligning its AI-driven solutions to help businesses in APAC leverage advanced technologies for enhanced efficiency and scalability.

Sonata's approach is designed to take GIC engagements to the next level, moving beyond traditional models and tapping into the power of AI and automation. With a strong foundation in managed services and professional services, we are transforming how businesses optimize their operations, accelerate digital adoption, and achieve measurable outcomes.

Key Focus Areas

- **AI-Powered BOT Models** For GICs looking to establish and scale their operations in India, we offer AI-driven Build Operate Transfer (BOT) models to optimize the setup and seamless transition.
- **Rebadging and Automation** With AI and automation, we provide a streamlined approach to take over and manage captives, improving operational efficiencies and reducing costs.

By integrating AI technologies into every layer of the business, Sonata is helping companies enhance productivity, lower costs, and unlock new growth opportunities across APAC. Our deep expertise in AI and automation makes us a trusted partner for organizations aiming to modernize their operations, optimize business processes, and stay ahead in the digital age. Through these initiatives, Sonata is committed to driving meaningful business outcomes in one of the world's most dynamic regions.

Sonata CX

Sonata CX is at the forefront of modern customer experience management. We help global brands elevate every customer interaction by combining advanced analytics, automation, and AI. Our proprietary omnichannel platform empowers businesses to continuously monitor, measure, and improve performance across physical and digital touchpoints - at scale.

Our approach is insight-led and outcome-focused. We go beyond traditional CX measurement to deliver a real-time, holistic understanding of the customer journey. By integrating data from multiple channels - including overt and covert compliance audits, panel research, social media listening, employee engagement and voice-of-customer feedback - we give businesses the intelligence they need to drive engagement, operational excellence, and brand growth.

Key Focus Areas

- **Omnichannel Intelligence Platform**
  A unified, AI-powered platform that ingests and analyses structured and unstructured data from all CX channels, enabling consistent performance tracking across markets.

- **CX Analytics Linked to Business Impact**
  We connect customer experience metrics with operational KPIs to quantify ROI - ensuring CX initiatives directly support revenue growth, cost efficiency, and customer retention.

- **Contextual and Predictive Insights**
  Leveraging AI, we surface actionable insights that help clients not only understand what's happening but also predict emerging trends and opportunities.

At Sonata CX, we don't just measure experiences - we modernize them. Backed by over 30 years of expertise, global coverage across 100+ markets, and our enterprise-grade GDX platform, we equip clients with the tools and intelligence needed to deliver brand-defining moments that build trust, drive loyalty, and fuel sustainable growth.

Key Success Story

- **One of America's elite financial institutions partnered with Sonata to modernize its analytics ecosystem. Sonata is driving the end-to-end migration, focusing on performance enhancement, cost efficiency, improved AI and advanced analytics capabilities, and strengthened security and compliance. By streamlining management and user experience, this transformation will future-proof the client's analytics infrastructure, enabling agility and innovation in the rapidly evolving financial landscape.**

Operational Review

International Business

Harmonizing Innovation

AI-Powered Growth on a Global Scale

Sonata Software's international business is experiencing unprecedented momentum, driven by a strategic focus on high-impact, AI-led transformation. With major wins across industries, we are rapidly expanding our global footprint, unlocking new opportunities, and setting the stage for even bigger victories.

As businesses worldwide embrace Agentic AI, Sonata is at the helm of this transformation – leveraging automation, advanced analytics, and next-gen intelligence to redefine enterprise modernization and scalability. Our AI-powered solutions are accelerating digital evolution, empowering organizations to drive efficiency, agility, and innovation at scale.

By embedding intelligence-first strategies across industries, we aren't just adapting to change- we are pioneering it, shaping the AI-driven enterprises of tomorrow.

Accelerating Global Growth Through AI and Modernization

In FY25, Sonata's international business showcased resilience, achieving industry-leading expansion as a direct result of our strategic shift toward a **verticalized structure**, allowing us to deepen engagement and maximize value for our clients.

- **Harvest Verticals:** Focused growth in **Retail, Manufacturing and Distribution (RMD)** and **Technology, Media and Telecommunications (TMT)** has strengthened our market leadership.
- **Invest Verticals:** Strategic investments in **Banking, Financial Services and Insurance (BFSI)** and **Healthcare and Life Sciences (HLS)** have fueled expansion into high-growth sectors.

Sonata's **strategy refresh in FY25** has not only **scaled our business with existing clients** but also enabled us to deliver new, high-value services- reinforcing our position as a trusted partner in enterprise transformation.

Strategic Expansion and Market Focus

As part of our global expansion strategy, our new delivery center in Kraków, Poland, is now operational. This nearshore hub strengthens our ability to drive business transformation, cloud modernization, and cost optimization for clients across Europe, reinforcing our commitment to scaling innovation worldwide.

AI-Led Modernization and Business Impact

Our AI-driven modernization solutions are transforming enterprises by aligning with their strategic priorities and accelerating digital evolution. By delivering cutting-edge modernization services, we empower businesses to enhance customer experiences, drive scalable growth, and unlock new revenue streams. Simultaneously, our cost-optimization frameworks improve operational efficiency and free up capital to enable enterprises to fund future transformation.

Large Deals and Enterprise Growth

Our sharp focus on high-value engagements has fueled strong momentum, with 11+ major deal wins in FY25. This foundation of success strengthens our ability to deliver large-scale digital transformation projects and drive sustained business impact for our clients.

Shaping the Future of Digital Enterprises

With modernization at the core of our approach, we enable businesses to enhance customer experiences, drive agility, and fund their transformation journeys through cost-effective AI-driven solutions. As organizations worldwide embrace Agentic AI, Sonata continues to lead, pioneering the future of intelligent enterprise growth.



AI-Driven Success: Transformational Client Partnerships

Deal 1: Parcel Spend Optimization SaaS

A leading provider of parcel spend management solutions partnered with Sonata to develop a cutting-edge cloud-based SaaS platform. Specializing in optimizing shipping strategies to enhance profitability and efficiency, the enterprise aimed to expand its services and revenue streams through digital transformation.

Sonata leveraged Microsoft's data and analytics solutions to design and build a scalable, AI-driven platform that enables businesses to gain deeper insights, reduce costs, and improve logistics efficiency.

This 14-month engagement establishes a foundation for long-term business growth, helping the client transition from a service-based model to a technology-driven SaaS offering.

Deal 2: Strategic Customer Support Renewal

Sonata successfully secured a critical renewal for Customer Support Services (CSS) from July 2024 to June 2025, reinforcing our commitment to delivering exceptional service and long-term value. Our team's deep technical expertise, proactive problem-solving, and customer-first approach resulted in consistently high CSAT scores, solidifying our position as a trusted partner.

By anticipating challenges and implementing swift, effective resolutions, we strengthened customer confidence and enhanced operational efficiency. This renewal not only validates our strategic impact but also paves the way for sustained growth, deeper collaboration, and future expansion opportunities.

Deal 3: Enhancing Customer Experience and Technical Support

A global technology leader partnered with Sonata to elevate customer experience and technical support across its diverse product portfolio. With a strong focus on digital transformation, the client sought a strategic partner to provide seamless, reactive customer support, ensuring enhanced satisfaction and operational efficiency.

Sonata is providing on-demand technical product support through a globally distributed network, enabling timely, localized assistance. By continuously refining support processes based on real-time feedback, our team is helping the client drive customer engagement, improve response times, and optimize overall support operations in an evolving digital landscape.

Deal 4: Digital Transformation for Underground Operations

A world-leading, innovative technology company defining the future of underground operations in mining, tunnelling, and civil engineering solutions partnered with Sonata to drive process standardization and enhance operational transparency. The client sought to scale globally, while maintaining localized agility to improve customer experience. After evaluating multiple vendors, they selected Sonata as their strategic partner to implement the SMART 365 program.

This three-year engagement focuses on standardization, enabling seamless global operations, while providing deeper business insights. With multiple opportunities for stack modernization, Sonata is driving end-to-end digital transformation, optimizing efficiency, and positioning the client for sustained growth in a competitive industry.

Deal 5: IT Transformation for Healthcare Services

A leading provider of medical and mental healthcare for correctional and mental health facilities in America partnered with Sonata to drive a comprehensive IT transformation. Post-COVID challenges, including rising healthcare costs, necessitated a strategic shift in technology operations. Following a rigorous vendor evaluation, the client selected Sonata to lead this critical transition.

As part of a seven-year engagement, Sonata takes full responsibility for IT delivery and support operations, including the rebadging of employees. This long-term partnership focuses on continuous modernization, leveraging innovative IT solutions to enhance operational efficiency, optimize resources, and drive sustainable growth.

Deal 6: Long-Term Strategic Partnership in Logistics

Sonata Software has had the privilege of partnering with a leading shipping, transportation, and logistics company for over a decade. This long-standing relationship has given us deep insights into their business needs, operations, and performance metrics, enabling us to collaborate closely with their management and finance teams to drive long-term value.

Leveraging our proven track record and the trust we've built, we successfully secured a three-year deal worth $24 million. This milestone underscores the strength of our partnership, our team's ability to deliver tailored solutions, and the commitment to aligning with a client's strategic goals.

By working closely with their teams, we have ensured that the agreement is well-structured to support their growth and operational priorities. This long-term commitment reflects their confidence in Sonata Software's expertise and our ability to continue delivering high-quality services. It stands as a testament to our deep client relationships and dedication to driving business success.

Deal 7: Enterprise Data Modernization for one of the Top 10 banks in USA

An American commercial bank partnered with Sonata to drive large-scale data transformation, migrating from Netezza to Snowflake. This strategic initiative is aimed at enhancing performance, scalability, and cost efficiency while modernizing the bank's data infrastructure.

As part of this engagement, Sonata is leading the migration across key areas, including infrastructure, code and model migration, data integration, job scheduling, security, BI and reporting, and production support. With a comprehensive approach that includes validation, testing, and change management, this transformation will empower the client with a modern, cloud-based data platform, ensuring agility, security, and long-term innovation in financial services.

Deal 8: Advanced Analytics Transformation for an Elite Financial Institution

One of America's elite financial institutions partnered with Sonata to modernize its analytics ecosystem by migrating from SAS Grid to SAS Viya.

Sonata is driving the end-to-end migration, focusing on performance enhancement, cost efficiency, improved AI and advanced analytics capabilities, and strengthened security and compliance. This strategic

initiative is designed to accelerate decision-making, enhance AI-driven insights, and optimize operational efficiency, while ensuring a secure, scalable, and cloud-ready analytics environment.

By streamlining management and user experience, this transformation will future-proof the client's analytics infrastructure, enabling agility and innovation in the rapidly evolving financial landscape.

Deal 9: Standardizing Global Operations for Access Solutions

A global leader in access solutions and security systems partnered with Sonata to drive business process transformation across 13 APAC countries. Seeking to integrate and standardize operations, the client aimed to enhance real-time engagement with customers, suppliers, distributors, and partners.

After evaluating multiple vendors, the client selected Sonata to modernize its existing Dynamics AX 2012 R3 to the advanced D365 Finance and Supply Chain Management platform. Additionally, Sonata is implementing an intelligence layer using Microsoft Fabric, accelerating the client's data-to-decision journey. This transformation will enable seamless operations, greater efficiency, and data-driven decision-making at scale.



India Business

SITL had a very good year of growth. Our business grew by 20 % in revenue and 15 % in GC.

Our ongoing focus on Hybrid Cloud Infrastructure Management and technology expertise has positioned us as the preferred partner for digital transformation for many of our customers. Achieving the highest level of certifications across all major Cloud platforms has played a key role in building trust with both our OEM partners and customers.

This year, we dedicated significant efforts to strengthening our IT Security competency, which has led to deeper engagements with customers as they address their growing IT and Cloud security needs across their enterprises. Additionally, we've seen increased interest in our SOC solutions from existing clients. We successfully renewed multi-year contracts with several long-term clients and saw opportunities for upselling various software products within our current customer base.

As AI adoption gains momentum among Indian enterprises, we have shifted focus toward AI-related products and tools offered by our OEM partners. Together with our OEMs, we've been actively involved in supporting our customers through their AI adoption journeys and initiatives.

Case Study 1: Re-platform Cloud Native Application

A Customer Services Platform Company partnered Sonata to Re-platform a Cloud Native GCP based Application to Azure, migrating Application, Serverless services, Integration Pipelines etc. to Azure.

Client's Objective

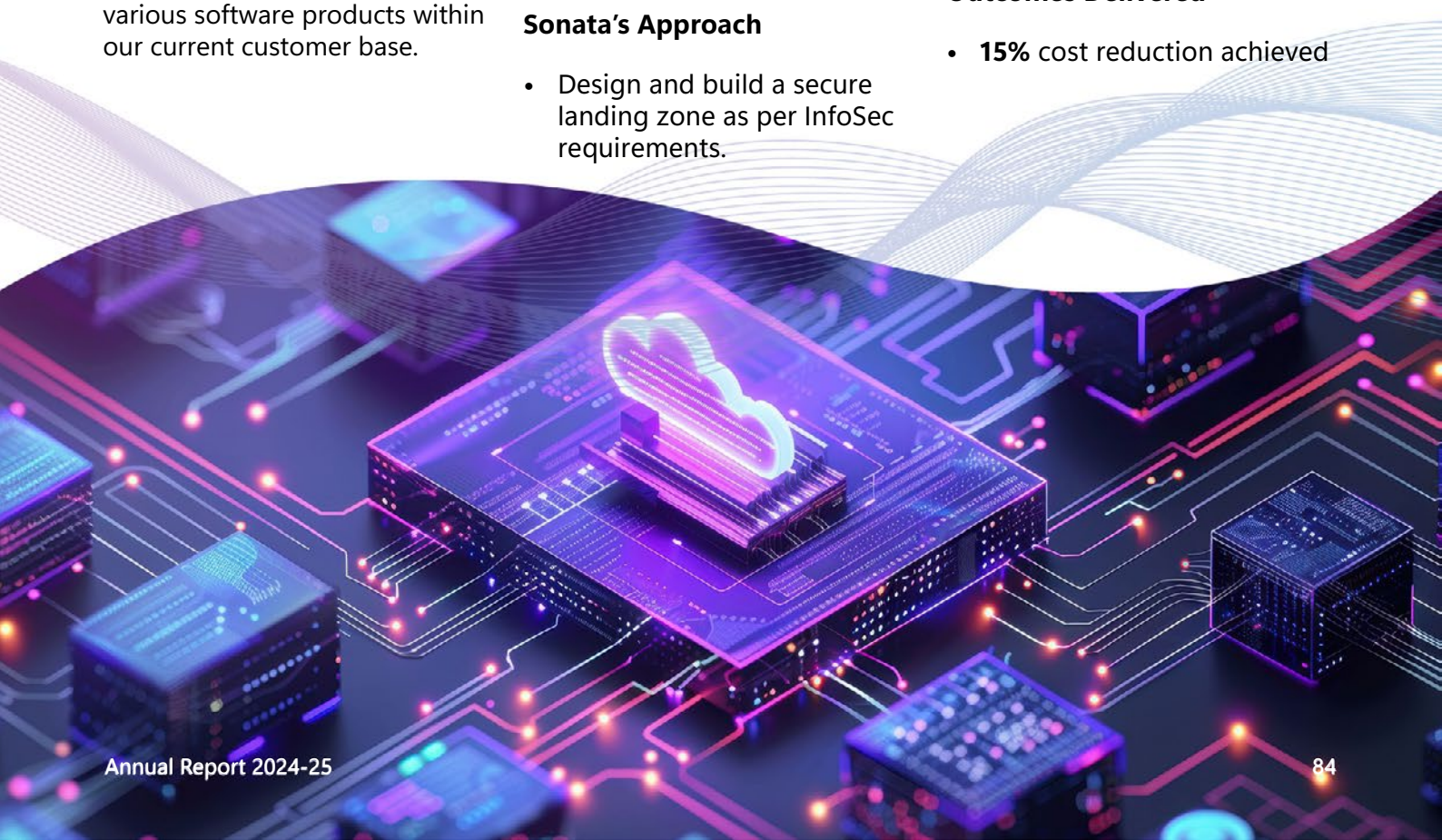
- Re-platform the existing application to Azure to leverage cost efficiencies.
- Execute with minimum bandwidth of existing Application team.
- Adhere to InfoSec requirements.

Sonata's Approach

- Design and build a secure landing zone as per InfoSec requirements.
- Assess existing GCP Architecture, understand codebase for Serverless services.
- Create a GCP to Azure service mapping.
- Rewrite the Python codebase for Azure classes and schema.
- Test and validate the re-written services and push to GitHub repo.
- Deploy the codebase to Azure Functions through Azure DevOps.
- Understand GCP Flow and design and build a corresponding Logic App workflow.
- Deploy and migrate the PostgreSQL database.
- Test integration of all services.
- Provide support to Application team for customer onboarding including data migration.

Outcomes Delivered

- **15%** cost reduction achieved



Case Study 2: Security Operations Consolidation

An Indian Conglomerate with interests across Automobile Manufacturing, BFSI, ITeS, Healthcare partnered Sonata for Design and Implementation of Microsoft Sentinel across multiple entities of the Group.

Client's Objective

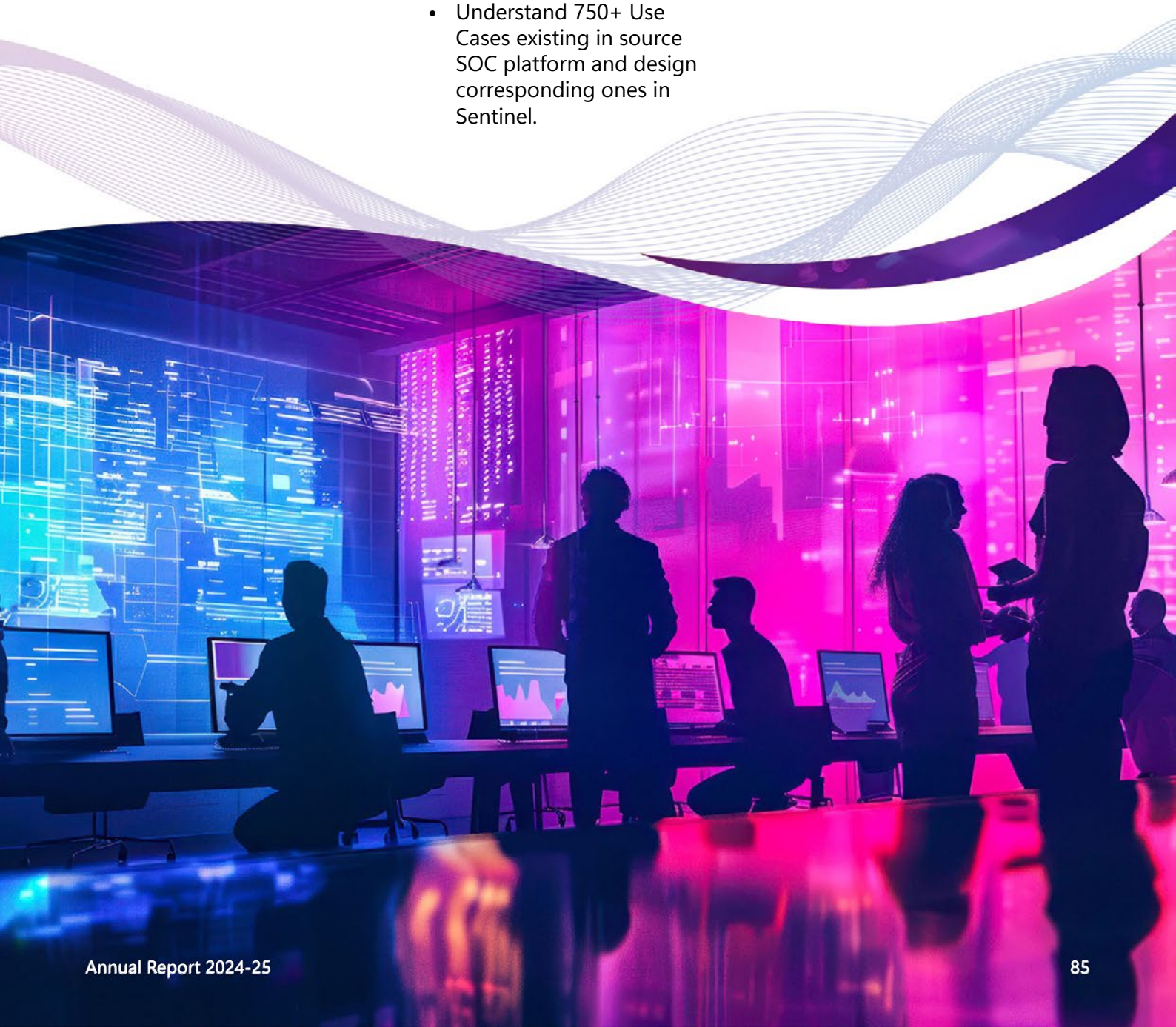
To build a SOC platform where each entity's compliance requirements are met and at the same time Group-wide visibility and consolidation of Security Operations is achieved.

Sonata's Approach

- Discovery and assess IT Landscape and Compliance requirements for each of the 16 entities.
- Design an architecture to include tenants of each of the entities for SIEM and SOAR platform.
- Build a Log Analytics workspace in each of the tenants and connect it to the group cluster to provide group wide visibility.
- Integrate 22000+ devices across all entities into Microsoft Sentinel SIEM.
- Understand 750+ Use Cases existing in source SOC platform and design corresponding ones in Sentinel.
- Integrate with Lighthouse for operating the SOC centrally.
- Create Custom Connectors and Custom Detection Rules and Response Templates.
- Document, provide KT and handover to Group SOC Team.

Outcomes Delivered

- **15+** Companies Onboarded
- **22,000+** Devices Onboarded
- **1TB+** Logs Processed Every Day



Delivery Excellence

Orchestrating AI in Harmony

AI Enabled Workforce

Building a Strong Gen AI Workforce at Sonata

At Sonata, we have made significant strides in fostering a highly capable Gen AI (Gen AI) workforce. With 88% of our employees holding Gen AI Level 1 certifications, we have successfully delivered specialized training on platforms such as Harmoni.AI Enterprise, OpenAI ChatGPT, Azure OpenAI, AWS, and Prompt Engineering. This training spans across multiple business units and competencies, ensuring a company-wide focus on innovation and advanced AI adoption.

In addition, over 20% of our employees have applied their learning by completing Proof of Concept (PoC) projects for identified Gen AI use cases.

Driving Innovation through TechFest and SPARK Hackathon

At TechFest 2024, Sonata showcased 27 innovative ideas focused on Gen AI and automation. The top three ideas were awarded recognition, with participants featured across internal communications and Sonata's social media platforms.

The SPARK Hackathon 2024, centered on AI, attracted 23 idea submissions, with 10 teams advancing to the Grand Finale. The event saw participation from 80 individuals, including 20 mentors, and culminated in storytelling workshops for finalists, provided by a renowned business storytelling company. Winning ideas received funding following business pitch presentations to a panel of judges, along with cash prizes and coverage on Sonata Viva Engage and social media channels.

A panel discussion on 'Generative AI-Driven Modernization: The Future of Business Transformation' was also held, engaging a large audience of AI enthusiasts.

AI Enabled Project Execution

We have made substantial progress in expanding AI adoption across business units, with a focus on Gen AI in 35+ top accounts. Key highlights include:

Cost and Revenue Impact

We are capturing cost savings through role reductions in fixed-price projects

Key Gen AI Solutions Deployed

Procurement Automation:
Developed a Gen AI solution for the procurement function of a global leisure, travel, and tourism company. By automating the extraction of key contractual clauses from Statements of Work (SOWs) and Master Service Agreements (MSAs), this solution reduced effort and cycle time significantly.

NextGen Support Bots
Implemented AI-driven bots for a leading global data communications service provider, saved effort by automating basic ticket resolution

- Self-Help Bot for end users via MS Teams, allowing resolution of basic issues from a repository of solution guides.
- Knowledge Bot for agents, providing quick solutions from a comprehensive database of documents.

Testing Automation with IntellQA
Deployed the Harmoni.AI-powered IntellQA platform for a large multinational leisure, travel, and tourism company, reducing testing efforts and cycle times by 50%.

CRM Optimization
Implemented a Copilot enabled CRM solution for a leading fashion and retail company, resulting in reduction in call center agents, faster ticket resolutions, and enhanced customer satisfaction. Features included context-based responses, automated email/ text drafting, and translation capabilities.

- **Pharmaceutical Chat Bot**
  Created a conversational AI for a multinational pharmaceutical company, enabling the bot to interact with databases via SQL queries to deliver tailored, up-to-date responses.

- **Independent Technology Provider Solutions**
  Delivered multiple Gen AI solutions for an independent technology provider, including a Gen AI chatbot for Level 1 support, automatic incident routing, and automation of repetitive issue resolution.

AI Enabled Systems

We continue to build AI-driven systems to enhance operational efficiency and business insights:

- **M&A Solution**
  Developed an AI-assisted solution for generating insights, FAQs, and actions through data extraction from call recordings, email threads, and public sources, aiding in M&A target deal summaries.

- **Financial Analysis**
  Built an AI-driven tool for trend analysis, data insights, and peer comparison from historical financial statements.

- **Resource Demand Mapping**
  Created an AI tool for selecting the best profiles from Sonata's global talent pool, optimizing resource allocation based on job descriptions.



- **Vendor Onboarding**
  Implemented a Gen AI -enabled platform to streamline vendor onboarding, fast-tracking document submission, validation, and capturing vendor details in a structured manner.

- **Forecasting Utility**
  Developed a Gen AI solution for estimating missing bill rates by matching employees with similar profiles in terms of competency, band, and customer.

Customer Delight through Delivery Excellence

Customer satisfaction remains at the heart of our business; in 2024, Sonata achieved an impressive, aggregated Customer Satisfaction (CSAT) score of 4.3 out of 5. Nearly 90% of our clients rated us 4 or above, with one-third awarding a perfect score of 5/5.

In addition, our Net Promoter Score (NPS) survey, conducted by a professional research firm, revealed that more than 60% of client stakeholders are strong promoters of Sonata and would recommend us to others. This reinforces our ongoing commitment to understanding client needs and delivering exceptional value.

In 2024, Sonata successfully completed an Integrated Management System Audit, earning certifications across various standards, including:

- Quality, Security and Business Continuity: ISO 9001, ISO 20000-1, ISO 27701, and ISO 22301 certifications, affirming our commitment to maintaining high-quality standards, securing client data, and optimizing certification costs.
- Environmental, Health and Safety: ISO 14001 and ISO 45001 certifications, underscoring our dedication to sustainable growth and the health and safety of our associates.

Sonata has successfully completed SOC 2 audit which provides reasonable assurance for meeting service commitments and system requirements based on applicable trust services criteria. Sonata has successfully completed the annual progress audit and met all the requirements for the Azure Expert MSP Program from Microsoft.

We also launched K-Harness 2.0, a centralized repository application for managing reusable assets across projects and competencies. This platform streamlines asset reuse, boosts productivity, and provides visibility into effort savings and benefits across teams.



Marketing Initiatives

Highlights of Strategic Brand-enhancing Initiatives during FY25.

- Launched the Brand Campaign to strengthen Sonata's positioning as 'The Modernization Engineering Company.'
- Received multiple recognitions from leading Analyst Firms like Everest Group, HFS for Sonata's solutions in Gen AI, Cloud Modernization, Data Modernization, and Dynamics space. Sonata made it to HFS' 'Fastest Six Service Providers' list, twice during the year.
- Organized Bespoke events in USA and UK and also participated in our Partner events in USA and Europe to increase mindshare and demand among clients and prospects.
- Published Thought leadership articles, authored by our CTO, CDO, CHRO and key SMEs (Subject Matter Experts) in Cloud, Data and Gen AI space, in India and USA.
- Our intense PR efforts yielded significant traction from the Senior Journalists of Tier 1 publications in India. We were also successful in publishing Thought leadership articles in US and UK publications.
- Sonata's Official LinkedIn handle witnessed a 30% jump in followers. Our Social Media posts on LinkedIn continued to witness industry best engagement rate.
- Marketing team supported multiple org-wide initiatives like D&I, Sonata Spark Hackathon, TechFest, 5K Marathon to build mindshare, interest and participation among Sonatians.



Human Capital Development

Our commitment to invest in human capital development to fuel growth, continues in the form of attracting, retaining and skilling talent. During FY25, we onboarded Sonatians including DETs from campus. Further, 25 highly credible leadership talent across different functions were onboarded globally to further strengthen our leadership pipeline, which set us on course to deliver our strategic growth objectives. We also invested significantly in training and skilling of our talent pool.

Learning and Development

As technology continues to evolve at an unprecedented pace, the need for continuous learning and upskilling has never been more critical. Recognizing this imperative, Sonata University was established to provide our workforce with access to world-class learning programs, equipping them with the skills necessary to navigate the digital future.

Now, in its second year, Sonata University has been instrumental in furthering our efforts to foster a **culture of continuous learning,** enabling our workforce to stay ahead in the rapidly transforming landscape of **Gen AI and digital innovation going beyond** technical advancements, focusing on the ethical, responsible, and governance aspects of AI adoption. Our Gen AI-related learning aims at ensuring transparency, fairness, and accountability in AI development and deployment, both within our business and for our clients.

Cementing our efforts to remain abreast with emerging technology, our Gen AI initiative has been structured into multiple training programs, each targeting different employee groups and skill levels. The initiative includes comprehensive courses, assessments, and practical projects to ensure a thorough understanding and application of Gen AI technologies. To date, over 93% of our employees are Level- 1 certified. On average, **30% to 40%** of our eligible employees have been trained on Level 2 certification. Additionally, on **average more than 40%** of our identified talent is certified at Level 3.

We have consistently strengthened Sonata University's learning infrastructure and expanded on the cutting-edge programs offered created and curated in-house and in collaboration with leading content and platform partners. In another significant milestone, our active learner percentage increased from 87% in the last financial year to **92%, in 2024-2025.** Our learning hours increased by 8% reaching **350,000 plus hours.**

A key pillar of our initiatives is the **Sonata Mandatory Training Program (SMTP)**, a highly customized, role-specific learning program for Project Managers, Delivery Managers, and Delivery Directors,



designed to provide targeted upskilling in both emerging digital technologies like Gen AI, Data, MS Fabric along with behavioral and leadership skills, to our leaders. Over 300 leaders including Project Managers, Delivery Managers, and Delivery Directors, have completed SMTP learning journeys over the last year.

Our signature Unified Programs (UPs) are getting AI-fied while evolving to map employees to a proficiency grid based on their roles, experience, and skill levels. They are also embedded with Sonata IPs and our flagship Harmoni. AI, the Responsible-first AI for Enterprise. This is not only to ensure we continue building future-ready capabilities to meet evolving business needs and drive our modernization programs with cutting-edge expertise but also to make our talent future-ready, fungible, and grow in their careers. More than 1/3rd of our eligible employees are UP certified.

Our strong focus on external certifications enables employees to gain industry-recognized credentials, enhancing both their expertise and aligning Sonata to best industry practices. With more than 26% of our employees earning industry and partner-aligned certifications, we continue to strengthen our talent pool, ensuring alignment with evolving business and technology landscapes.

Our commitment to continuous learning is reflected in the high engagement and utilization of our learning platforms to upskill themselves on managerial, behavioral, and leadership skills. Through SCALE, our digital learning ecosystem, in partnership with Skillsoft, our e-learning partner, we have achieved an impressive 90% plus license utilization, demonstrating the deep integration of learning into our organizational DNA.

The streak continues with our in-house learning platform, SCOPE, which offers tailored learning journeys across technical and behavioral skills. Designed to support specific project requirements, dedicated learning academies, and universal learning pathways, SCOPE provides a structured approach to upskilling at scale. With a comprehensive library of over 1600 courses, it ensures that employees at all levels have access to role-relevant learning and self-development opportunities, fostering a culture of continuous growth and excellence. Over the past financial year, our workforce has collectively logged more than 40,000 learning hours, across our learning platforms, reinforcing our focus on building future-ready skills at scale.

We also gamified our learning under the umbrella of The Invest in Yourself Challenge. We have seen active participation reflecting the strong "I Own My Learning" mindset within our organization. Our people actively seek opportunities to expand their skills and drive personal and professional growth.

Our commitment to compliance remains unwavering. Our learners have shown a strong focus on key areas such as the Prevention of Sexual Harassment (POSH), Information Security, Environmental, Social, and Governance (ESG), and Gen AI. We are proud to report an impressive compliance rate of approximately 90% in these critical domains.

In our ongoing pursuit of excellence, we are dedicated to enhancing our trainee onboarding programs. Our focus is on cross-skilling and upskilling to achieve relevant proficiency levels, business relevance, and faster deployment. The trainee onboarding program is highly structured, encompassing five tracks, Sonata Stepping Stones (organizational orientation), Launchpad (covering professional skills), Tech Foundation, Tech Generic, and Competency Specific. Additionally, our sustained investment in campus recruit training ensures accelerated readiness, equipping new talent with the critical skills and knowledge needed to thrive in a rapidly changing digital landscape.

Diversity & Inclusivity

Building on last year's progress, Sonata remains steadfast in its commitment to Diversity & Inclusion, and we have further strengthened our D&I initiatives, ensuring a more equitable and inclusive workplace.

Our D&I vision has paved the way for a robust D&I charter in the organization.

At Sonata Software, we are committed to fostering an environment where diversity of thoughts and perspectives are encouraged and valued. We strive to ensure that all employees, customers and partners feel respected and empowered to realize their full potential. By embracing diversity, we aim to grow together.

While remaining committed to building a diverse workplace by broadening representation and creating a diverse talent pipeline, a key component of our D&I efforts is The Playing Fair, our flagship training program designed to equip leaders with the skills needed to foster an inclusive work environment. More than 500 senior managers and executives have completed this program, gaining practical insights into overcoming unconscious bias in team management and communication. The training focuses on developing inclusive leadership competencies, enabling managers to create collaborative, high-performing teams that value diverse perspectives.

By embedding inclusivity into our leadership development framework and workplace policies, we continue to cultivate a culture of belonging, where every employee feels valued, empowered, and supported in their growth.

Sonata Women's Advocacy Network (SWAN) continued its efforts to further its mission to inspire, engage, and create impact through its various regional chapters to foster a more inclusive workplace. The North America Chapter addressed work-life balance, while the India Chapter extended its outreach by organizing a Tech Talk at a local college campus, where a woman leader from Sonata led a session on Gen AI, inspiring young minds and fostering greater participation of women in technology. Also, aligning with our 2025 CSR focus on Digital Literacy, SWAN is partnering with the Functional Vocational Training and Research Society (FBTRS) to sponsor scholarships for meritorious girl students.

At Sonata, Diversity & Inclusion (D&I) is deeply embedded in our learning and development initiatives, ensuring that inclusivity is not just a value but a practiced skill. Through our 'Hiring Fair and Playing Fair' programs, we have trained and sensitized 400+ managers, fostering greater awareness of unconscious bias, inclusive hiring practices, and equitable team management.

These initiatives equip leaders with the knowledge and tools to create a more diverse, fair, and collaborative workplace, reinforcing our commitment to building an organization where everyone can thrive and contribute meaningfully.



Corporate Social Responsibility

Our Focus Areas

At Sonata, our CSR vision is centered on creating long-term value for the community by fostering sustainable growth through our services, ethical practices, and initiatives. We are committed to conducting business in a socially, economically, and environmentally responsible manner while considering the interests of all stakeholders, including the wider community. We recognize the interconnected nature of sustainability-actions in one area influence outcomes in another-making it essential to balance social, economic, and environmental priorities.

- **Diversity and Inclusion**
  We actively promote inclusivity through various social initiatives, including digital skilling, education, healthcare, and livelihood support. Our efforts extend to providing assistive technology for children with cerebral visual impairment and training programs for para-athletes, ensuring equal opportunities for all.

- **Digital Skilling & Research**
  As a technology-driven organization, we focus on equipping underprivileged students with vital digital skills. Our specialized programs in Java development, data analytics, and cybersecurity help bridge the digital divide and prepare individuals for thriving careers in the tech industry. Additionally, we invest in research and development in Software Engineering and Responsible AI to drive technological advancements.

- **Environmental Sustainability**
  Our commitment to environmental conservation is reflected in impactful CSR projects, including large-scale tree plantations. By integrating ecological responsibility into our initiatives, we aim to protect natural resources and ensure a sustainable future for generations to come.



Highlights of Projects Aimed at Achieving Sustainability Goals

CENTUM FOUNDATION

Empowering Underprivileged Youth through IT Training
We are committed to promoting education and enhancing employment opportunities for economically weaker sections in semi-urban areas. As part of this initiative, 250 beneficiaries, including 90% women, received training in Data Analytics (125 students) and Microsoft Dynamics 365 (125 students) from industry experts. Additionally, 70% of participants were provided with placement assistance. This program aims to equip underprivileged and diverse youth with essential IT skills, ensuring access to quality and affordable resources while creating a pool of employable professionals for the industry.

FVTRS

Sonata is committed to empowering underserved youth through technical skilling and digital transformation initiatives. Our training programs equip 250 beneficiaries with essential digital skills, preparing them for employment in the IT industry. Certified trainees are made job-ready through a placement-linked training program, improving their standard of living while meeting the growing workforce demand. Additionally, we have developed the FVTRS website to enhance NGO operations, ensuring better accessibility and efficiency. By providing access to quality and affordable resources, we are creating a pool of employable professionals and driving sustainable social impact in the communities we serve.

IISc

Advancing Research and Innovation in Software Engineering and AI
Sonata is driving cutting-edge research and development in Software Engineering, Responsible AI, and Customer Experience through education, outreach, and infrastructure development. Our initiatives include AI literacy programs, research collaborations, and startup incubation to foster innovation. Through workshops and summer schools, students and professionals are trained in advanced AI topics. We have established state-of-the-art labs and classrooms, increasing research output by 30%. Our AI solutions in healthcare and finance have enhanced efficiency and accuracy. Additionally, our startup incubation efforts have led to five successful product launches and strategic partnerships, strengthening the AI ecosystem.

Arvind Eye Hospital

Android-Based Assistive Technology for Children with Cerebral Visual Impairment (CVI)
Sonata has developed an innovative Android-based assistive technology app to support children with Cerebral Visual Impairment (CVI), enhancing early diagnosis and therapy options for those with special visual needs. The app serves as both a diagnostic and therapeutic tool, featuring interactive exercises and games designed to improve visual awareness and perceptual skills. By fostering cognitive and visual development, this technology empowers children with CVI to engage more effectively with their surroundings, providing them with better opportunities for learning and growth. This initiative reflects our commitment to leveraging technology for inclusive and impactful healthcare solutions.

Bangalore Little Theatre

Sonata , in collaboration with Bangalore Little Theatre, developing a web portal for the NGO which focuses on life skills training for underprivileged children. Using theatre techniques, the project aims to enhance socio-emotional development, helping children manage emotions, stress, and develop coping mechanisms. The initiative plans to scale up through a comprehensive web portal.

Agastya International Foundation

Sonata is driving impactful initiatives in education and cultural preservation through technology. In collaboration with Agastya International Foundation, we have developed the Welearn App, providing technical support to bridge educational gaps for rural school students. With 290,183 downloads, the app ensures widespread access to quality learning resources, empowering students for a brighter future.future.

Industree Crafts Foundation

Our partnership with Industree Crafts Foundation has led to the creation of the Co-Create App, an online repository for artisans to store and showcase their designs. This initiative not only preserves traditional art forms but also enhances artisans' visibility, creating economic opportunities and fostering 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 58% of PAT**
- **Domestic Products and Services with 72% of the total revenues and 42% of PAT**

During the year, the International IT services revenues stood at ₹ 282,970 Lakhs (USD 335.5 million), an increase of 5.6% on Y-o-Y basis. Domestic products and services stood at ₹ 732,755 Lakhs (USD 868.7 million). The total consolidated revenue stood at ₹ 1,015,725 Lakhs (USD 1,201.2 million) a growth of 17.9% on Y-o-Y basis.

The Company added 47 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 74% of the services revenue, followed by Europe (including the UK) contributing 17%, and the Rest of the World (RoW) making up the remaining balance. In terms of verticals, Technology, Media and Telecom (TMT) contributed 31%, Retail, Manufacturing and Distribution (RMD) contributed 30%, Healthcare and Life Sciences (HLS) contributed 11%, Banking, Financial Services and Insurance (BFSI) contributed 23%, 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	2024-25	2023-24	Y-o-Y Growth
	₹ in Lakhs	₹ in Lakhs	in %
Total Income	1,022,840	873,861	17
Revenue	1,015,725	861,306	18
EBITDA	76,040	85,298	-11
Interest & Depreciation	18,674	21,694	-14
PAT	42,467	30,850	38
EPS (₹)	15.30	11.12	38

Total Income: Total income increased by 17% from ₹ 873,861 Lakhs in 2023-24 to ₹ 1,022,840 Lakhs in 2024-25 largely owing to the increase in revenue from International IT services and domestic products and services.

EBITDA: The EBITDA margin stood at 7% in 2024-25.

Profit After Tax: The Net Profit margin stood at 4% in 2024-25.

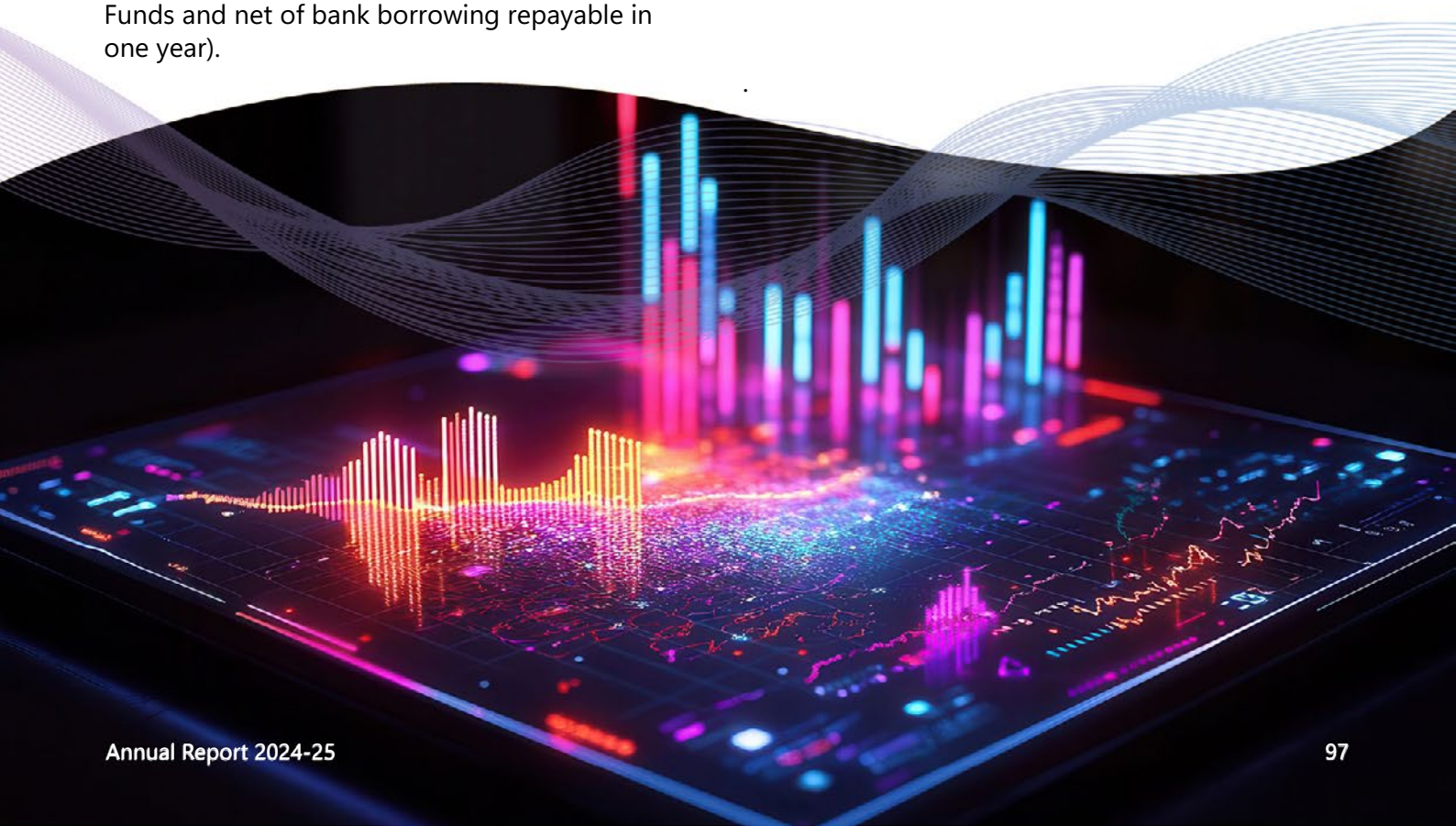
Interest and Borrowings: The interest cost for the year 2024-25 is ₹ 6,525 Lakhs, out of which interest expense on lease liability as per Ind AS 116 is ₹768 Lakhs. The Group has a Net Cash balance of ₹ 48,086 Lakhs (including investment in Mutual Funds and net of bank borrowing repayable in one year).

Capital Employed: The Capital Employed is ₹ 214,750 Lakhs in 2024-25. The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2025 is at 23%.

Net Worth: The Net Worth is ₹ 170,594 Lakhs in 2024-25. The Return on Average Net Worth (RONW) for the year ended 31st March, 2025 is at 27%.

Fixed Assets: The Group's fixed assets which includes property, plant, equipment, intangibles and goodwill is ₹ 183,490 Lakhs as at 31st March, 2025 and accumulated depreciation / amortization as at 31st March, 2025 is ₹ 26,899 Lakhs.

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Below are the Standalone Financial Highlights

Particulars	2024-25	2023-24	Y-o-Y Growth
	₹ in Lakhs	₹ in Lakhs	in %
Total Income	117,523	128,434	-8
Revenue	99,131	95,030	4
EBITDA	26,075	40,582	-36
Interest & Depreciation	2,598	2,605	0
PAT	21,377	35,880	-40
EPS (₹)	7.70	12.93	-40

Total Income: Total Income decreased by 8% from ₹ 128,434 Lakhs in 2023-24 to ₹ 117,523 Lakhs in 2024-25.
Dividend income in 2024-25 is ₹ 15,800 Lakhs as against ₹ 30,185 Lakhs in 2023-24.

EBITDA: EBITDA decreased by 36% from ₹ 40,582 Lakhs in 2023-24 to ₹ 26,075 Lakhs in 2024-25.

Profit After Tax: Profit after Tax decreased 40% from ₹ 35,880 Lakhs in 2023-24 to ₹ 21,377 Lakhs in 2024-25.

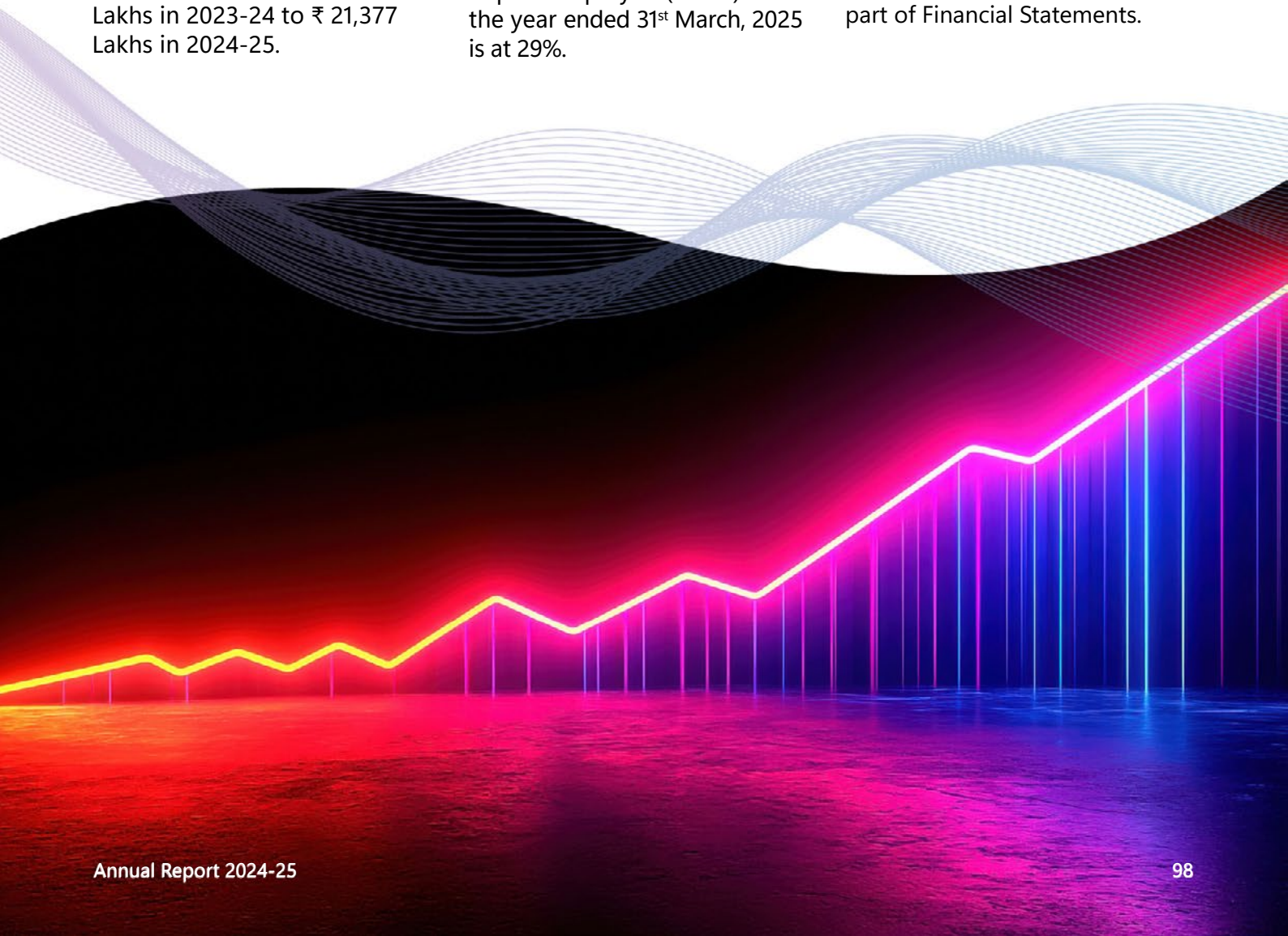
Interest and Borrowings: The interest cost for the year 2024-25 is ₹ 469 Lakhs, out of which interest expense on lease liability as per Ind AS 116 is ₹ 284 Lakhs. The Company has a Net Cash balance of ₹ 9,990 Lakhs (including investment in Mutual Funds net of borrowings).

Capital Employed: The Capital Employed is ₹ 80,330 Lakhs in 2024-25. The Return on Average Capital Employed (ROCE) for the year ended 31st March, 2025 is at 29%.

Net Worth: The Net Worth is ₹ 80,330 Lakhs in 2024-25. The Return on Average Net worth (RONW) for the year ended 31st March, 2025 is at 28%.

Fixed Assets: The Company's fixed assets which include property, plant, equipment and goodwill is ₹ 6,287 Lakhs as of 31st March, 2025 and accumulated depreciation / amortization as of 31st March, 2025 is ₹ 3,999 Lakhs.

The key financial ratios are forming part of Financial Statements.





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 option 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 and Privacy Risk**
  Company mitigates cyber and privacy risks through a robust information security and privacy management system. Company provides comprehensive data privacy solutions to ensure compliance with global regulations. Our risk-based approach focuses on practical, scalable strategies to protect client data and infrastructure from evolving threat.

- **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, Company has invested in upskilling employees, adopting 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 FY26, we anticipate strong momentum fueled by four key tailwinds:

1. The acceleration from large deals
2. Rapid adoption of AI - both Generative and Agentic
3. Growth in Cloud and Data transformation programs
4. Expanding opportunity Microsoft Fabric and Dynamics

These will collectively propel us toward our ambitious growth aspirations. At the same time, we remain watchful of two potential headwinds: a volatile global macro-economic environment and delayed decision-making in the Retail, Manufacturing, and Distribution (RMD) vertical.

Despite these challenges, we are confident in maintaining a leadership position and targeting top-quartile performance in revenue growth and in margins.

Our strategy for FY26 is centered on enabling our clients' modernization journeys while unlocking future growth through seven focused priorities:

1. Enhancing verticalized, AI domain-led solutions
2. Sustaining momentum in large deals
3. Scaling our delivery, competency and operations
4. Deepening leadership capabilities

We will continue to invest aggressively in our big bets—AI (both Gen AI and Agentic AI) and Microsoft sell-with while prioritizing growth in our **Invest Verticals** (Banking, Financial Services & Insurance and Healthcare & Life Sciences), and scaling our presence in **Harvest Verticals** (Technology, Media & Telecom and RMD).

With these focused initiatives, we are well-positioned to deliver top quartile growth in FY26.

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 Thirtieth (30th) Board's Report of your Company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2025.

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

FINANCIAL RESULTS

Your Company's financial performance (standalone and consolidated) for the financial year ended 31st March, 2025 is summarized below:

₹ in Lakhs

Description	Standalone		Consolidated	
	Financial Year ended 31.03.2025	Financial Year ended 31.03.2024	Financial Year ended 31.03.2025	Financial Year ended 31.03.2024
Total Income	117,523	128,434	1,022,840	873,861
Total Expenditure	91,448	87,852	946,800	788,563
EBITDA	26,075	40,582	76,040	85,298
Depreciation and Amortization Expense	2,129	2,113	12,149	13,193
Finance Cost	469	492	6,525	8,501
Profit before Tax & Exceptional Items	23,477	37,977	57,366	63,604
Exceptional item	-	-	-	17,466
Profit before Tax	23,477	37,977	57,366	46,138
Total tax expense	2,100	2,097	14,899	15,288
PAT before non-controlling interest	21,377	35,880	42,467	30,850
Non-controlling interest	-	-	-	-
PAT after non-controlling interest (Net Profit)	21,377	35,880	42,467	30,850
Basic Earnings Per Share (in ₹)	7.70	12.93	15.30	11.12

STANDALONE FINANCIALS

Total Income has shown a reduction by 8%. The Earnings before Interest, taxes, Depreciation and Amortization (EBITDA) stood at 22% of total income and Net Profit at 18% of total income with Earnings per share at ₹ 7.70.

CONSOLIDATED FINANCIALS

Total Income has shown a growth of 17%. The EBITDA stood at 7% of Total Income and Net Profit at 4% of Total Income with Earnings Per Share at ₹ 15.30.

Analyzing your Company's consolidated results by the two spheres it operates in, International IT services contributed 28% of total revenues and 58% of Profit After Tax (PAT) while Domestic products and services contributed to 72% of the total revenues and 42% of PAT.

International IT services total revenue is ₹ 282,970 lakhs, growth of 5.6% Y-o-Y and $ 335.5 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 47 new customers throughout the Financial Year, and maintaining resource utilization at 87% over the Financial Year under review. The Domestic IT Products business grew by 23.49% on Y-o-Y basis to ₹ 732,755 lakhs.

Your Company during the Financial Year had a stronger consolidated Balance Sheet and has approximately ₹ 48,086 Lakhs of cash and cash equivalents, reflecting a positive state of the Company's affairs, with a Return on Capital Employed (ROCE) of 22.81% and Earnings Per Share at ₹ 15.30.

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

FY25 witnessed significant progress towards achieving a revenue of $1.5 billion by FY27– generating $1 billion from our operations in India and $0.5 billion from our international ventures.

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

1. Win multiple mid and large deals,
2. Deepen and diversify our partnerships with Microsoft, AWS, and other key partners and
3. Scale the business through deeper capabilities build-out.

In FY25, we continued to win Large Deals and added a few marque logos to our list of customers – namely a Fortune 200 Banking and Financial giant to our Top 10 Client's list.

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.

Our teams are at the forefront of AI revolution. With some HLS and BFSI clients, we are making significant progress in implementing GenAI using small language models for cost efficiency and implementing Agentic AI for driving hyper automation in our transformation programs.

To lead Agentic AI driven growth, we are making significant investments in building 'Agent Bridge' - Sonata's cutting-edge industry agnostic Advanced Agentic AI solution which will accelerate enterprise-scale AI-powered automation.

Also, we are now a proud member of Microsoft AI Partner Council and are delighted to share that in FY25 Sonata achieved the AWS Generative AI Competency as well.

Another Big Bet - Microsoft Fabric has progressed well too. Sonata is a proud "Featured and Launch partner for Microsoft Fabric" - the data analytics platform for the era of AI. Since its launch, we have witnessed a significant pipeline build-up for Fabric, Our teams are building solutions using Microsoft Fabric as Infrastructure for AI, in close collaboration with Microsoft.

Our Invest Verticals (HLS & BFSI) now contribute 40% of our revenue, up from 13.5% 11 quarters ago. These verticals added to nearly 18% of our current revenue, which did not exist 2.5 years ago.

Our revenue for Data Modernization grew from 13% to 26% in the last 11 quarters and Cloud and Data is now 44% of the overall pipeline.

As part of our strategic expansion plans in key markets, our Company successfully scaled the delivery centres that we last year opened in Mexico, Poland, Egypt and Malaysia.

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

We continued to forge strategic partnerships with key industry Hyper-scalers such as AWS, SFDC, and Snowflake, enabling us to secure high-quality clients and large-scale deals. FY25 witnessed Sonata achieving AWS **Advanced Tier Services Partner and** AWS **DevOps Competency** status.

Our India business (SITL), which focuses on annuity sales, continues to deliver consistent strong growth, with an industry-leading ROCE. The newly formed Security Operations Centre (SOC) will be 20% of its Gross Contribution in the next three to five years' time.

Sonata continued to win several recognitions including "Top 3 Fastest growing Indian brands" by Brand Finance, HFS 'Fastest Five' Service Providers, and Microsoft Business Applications 2023/2024 Inner Circle Award.

Sonata winning **WOW (Workplace of Winners) Award** in IT, ITeS and GCC category, stands as a testament to the commitment and dedication of each employee in driving our collective success and growth and underscores our commitment to fostering an exceptional workplace.

FY25 witnessed Sonata's Active Headcount crossing 7,000 mark with the gender diversity at 31%.

Under the aegis of Sonata University, the focus on Gen AI capability building continued. 93% of Sonatians are Level 1 Certified in Gen AI and 40% trained in Level 2 and Level 3. Additionally, GenAI is now embedded in every training program that we offer.

Team Sonata remains committed to judiciously accelerate the growth curve and build scale in terms of large clients, deals, markets, partnerships, and talent.

INDUSTRY RECOGNITION

The Company has been recognized by BRAND FINANCE INDIA 100 2024 as one of the Top 3 fastest-growing Indian brands with an 83% increase in its brand value.

HUMAN RESOURCE MANAGEMENT

Your Company's commitment to invest in human capital development to fuel growth, continues in the form of attracting, retaining and skilling talent. During FY25, we onboarded 2,400+ Sonatians including DETs from campus. Further, 25 highly credible leadership talent across different functions were onboarded globally to further strengthen our leadership pipeline, which set us on course to deliver our strategic growth objectives. We also invested significantly in training and skilling of our talent pool.

FY25 assumes significance in your Company for being recognized as the WOW (Workplace of Winners) Award in IT, ITeS and GCC category, organized by Jombay (a part of IPO bound CIEL HR Group).

As Sonata continues to scale and grow in the midst of tectonic technological shifts, heightened customer expectations and ambitious employee aspirations, we defined our Ways of Working – **AGILE** to ensure a common language is used to codify what we expect of each other.

As technology advances, Sonata University continues to drive a culture of continuous learning, equipping our workforce with future-ready skills. Sonata University was established to provide world-class learning programs, equipping the workforce with skills for the digital future.

Building on last year's progress, Sonata remains steadfast in its commitment to Diversity & Inclusion, and we have further strengthened our D&I initiatives, ensuring a more equitable and inclusive workplace. Our D&I vision has paved the way for a robust D&I charter in the organization.

Further details are provided elsewhere in the Annual Report.

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 safeguarding 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 ₹ 4.40/- per equity share at 440% 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 total dividend for FY 2025 amounts to ₹ 4.40/- per equity share and would involve a total cash outflow of ₹ 12,339 Lakhs. The total dividend for FY 2024 was ₹ 7.9/- per equity share and involved a total cash outflow of ₹ 22,155 lakhs.

If approved by the Members at the ensuing AGM, the final dividend will be paid on or after 8th August, 2025 to all those equity shareholders whose names appear on the Register of Members of your Company on 23rd July, 2025 and to those whose names appear

as beneficial owners in the records of the National Securities 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, 2025. 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 2024-25, there was no change in the paid-up share capital of your Company compared to the previous Financial Year 2023-24. The paid-up share capital remains at ₹ 28,04,24,816 (Rupees Twenty Eight Crores, Four Lakhs, Twenty Four Thousand, Eight Hundred and Sixteen only) divided into 28,04,24,816 (Twenty Eight Crores, Four Lakhs, Twenty Four Thousand, Eight Hundred and 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 five (5) times. The meetings were held on 7th May, 2024, 31st July, 2024, 6th November, 2024, 6th February, 2025 and 25th March, 2025. 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. Viren Raheja (DIN: 00037592), Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM). Brief profile of Mr. Viren Raheja 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.

During the year, Mr. Surin Shailesh Kapadia (DIN:00770828) and Ms. Mona Ninad Desai (DIN: 03065966) have been appointed as Additional Directors, designated as Independent Directors w.e.f. 7th May, 2024 by the Board and their appointments have been approved and confirmed at the AGM held on 6th August, 2024.

Further, Mr. Pradip P. Shah (DIN: 00066242) ceased to be an Independent Director & Chairman of the Board w.e.f. 10th August, 2024 upon completion of his second term. Similarly, Ms. Radhika Rajan (DIN:00499485) ceased to be an Independent Director w.e.f. 12th August, 2024 due to completion of her second term.

Mr. Sanjay K Asher (DIN: 00008221) was re-appointed as an Independent Director for a second term of 5 consecutive years w.e.f. 8th August, 2024 and further appointed as the Chairman of the Board w.e.f. 15th August, 2024.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on appointment and remuneration of Directors is available on the Company's website at https://www.sonata-software.com/about-us/investor-relations/corporate-governance. 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 under Corporate Governance Report to 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 as 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 or commitment affecting the financial position of your Company.

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

As previously informed, the amalgamation of Encore I.T. Services Solutions Private Limited, a wholly-owned subsidiary, with your Company is in progress. The petition has been filed with the respective Hon'ble National Company Law Tribunal (NCLT) Benches and is pending approval. The appointed date remains 1st April, 2024. Upon effectiveness, all assets, liabilities, employees, 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 the Listing Regulations, the Audit Committee of the Board as on 31st March, 2025, comprised of Mr. Surin Shailesh Kapadia, Chairman, Mr. S B Ghia, Ms. Mona Ninad Desai and Mr. Sanjay K Asher as its Members. The Committee met five (5) 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, 2025, comprised of Mr. Surin Shailesh Kapadia, Chairman, 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance. 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, 2025, comprised of Mr. S B Ghia, Chairman, Mr. P Srikar Reddy, Ms. Mona Ninad Desai

and Mr. Samir Dhir as its members. The Committee met four (4) times during the year under review.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as on 31st March, 2025, comprised of Ms. Mona Ninad Desai, Chairperson, Mr. P Srikar Reddy, Mr. S B Ghia and Mr. Samir Dhir as its members. 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

The Risk Management Committee as on 31st March, 2025, comprised of Mr. Surin Shailesh Kapadia, Chairman, Mr. Viren Raheja, Mr. P Srikar Reddy and Mr. Samir Dhir as its members. 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 this 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, 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 Chairman 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

SUBSIDIARY COMPANIES, ASSOCIATES AND JOINT VENTURES

As on 31st March, 2025 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 https://www.sonata-software.com/about-us/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), UK Sonata Software FZ-LLC (Closed

w.e.f. 19th May, 2023), Sonata Software (Qatar) LLC, Sonata Australia Pty Ltd, Sonata Software LLC (merged with SSNA with effect from 6th May, 2024), Sonata Software Solutions Limited, Sonata Software (Shanghai) Co., Ltd, GAPbuster Europe Limited (merged with SEL with effect from 16th July, 2024), GAPbuster Inc., GAPbuster Limited (merged with SEL with effect from 16th July, 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 26th August, 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., Quant Systems Inc., Quant Cloud Solutions Private Limited, Quant Systems CRC Inc Sociedad de Responsabilidad Limitada, Woodshed LLC, Sonata Software Malaysia SDN. BHD and Sonata Software Solutions 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.

During the year under review, your Company has incorporated a subsidiary in Egypt named Sonata Software Solutions.

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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

In terms of the said Policy as per financial statement for the year ended 31st March, 2025, 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 2024-25. 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 framed in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, 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 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("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, 2025 are uploaded on the website of your Company at https://www.sonata-software.com/about-us/investor-relations/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, the Board had appointed M/s GDR & Partners LLP, Company Secretaries as the Secretarial Auditor for the Financial Year 2024-25 to conduct Secretarial Audit of your Company. The Secretarial Audit Report in Form MR-3 for the Financial Year ended 31st March, 2025 is annexed to this Report as **ANNEXURE II.** The Report does not contain any qualifications, reservations or adverse remarks or disclaimer.

Based on recommendation of the Audit Committee of the Board, the Board of Directors at its meeting held on 7th May, 2025, has approved the appointment of M/s GDR & Partners LLP, Company Secretaries holding ICSI Firm Registration Number: L2024KR016500 as Secretarial Auditors of the Company, to hold office for a period of five (5) years, to conduct the Secretarial Audit from the Financial Year 2025-26 till 2029-2030, subject to approval of the Members at the ensuing Annual General Meeting.

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, 2025 and there are no qualifications, reservations or 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

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, 2025 on its website at https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 and IEPF rules, during the year under review, your Company has transferred the unclaimed and un-encashed dividends of ₹ 68,55,849/-. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and IEPF rules, 31,239 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 https://www.sonata-software.com/about-us/investor-relations/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 https://www.sonata-software.com/about-us/investor-relations.

KEY AWARDS AND RECOGNITIONS

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

Analyst Recognitions:

- Enterprise Innovator in HFS Horizons – Healthcare Payer Service Providers 2024.
- Major Contender in Everest Group Peak Matrix for Low Code Application Development Services – Focus on Microsoft Power Apps 2024.
- Major Contender in Everest Group Peak Matrix Retail and CPG Data, Analytics, and AI Services.
- Aspirant in Everest Group Peak Matrix for Data & Analytics Services 2024.
- Aspirant in Everest Group Peak Matrix for AI and Gen AI Services 2024.
- Disruptor in HFS Horizons – Azure Ecosystem Service Providers 2024.
- Disruptor in HFS Horizons – AADA (AI, Analytics, Data platforms & Automation) Services 2024.
- Disruptor in HFS Horizons – Best Service Providers for Commercial Banks 2025.
- Disruptor in HFS Horizons – Generative Enterprises 2025.

CSR and Sustainability Awards:

- Received Silver Medal from EcoVadis ESG Rating assessor for the Company's ESG performance in FY24.
- Received certification for International Standard ISO 14001 (Environmental management systems) and ISO 45001 (Occupational Health and Safety Management Systems).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy

The Company is dedicated to energy conservation, as outlined in its Sustainability Policy, and consistently strives to enhance energy efficiency across its facilities. It continuously explores innovative methods and advanced technologies to optimize operations and minimize energy consumption. Ongoing efforts focus on improving efficiency, reducing waste, and conserving energy. As part of its commitment to sustainable practices, the Company actively implements the following energy-saving initiatives.

Operational optimization of engineering equipment during non-operational hours.

- Turning off all office equipment, including computers, monitors, printers, plotters, facsimile machines, shredders, typewriters, and overhead task lights every night and weekend.
- Turning off all equipment in computer labs. Enabling power management features on laser printers and/or turn off laser printers when not actively printing.
- Enabling power management features so the computer monitor, and hard drive will go into a low power (blank screen) "sleep mode" when not actively in use.
- When purchasing any office equipment, consider Energy Star models that "power down" after a specified period of inactivity.
- Set local thermostats to low or off. If you have a programmable thermostat, use it to its best advantage by setting an energy conservation mode at optimum times.
- During the summer season, close blinds, drapes, and curtains to reduce heat gain from windows that receive direct sunlight.
- During the winter season, open blinds, drapes, and curtains to let the sun in. If there is no sunlight, close them to keep the heat in, especially at night.
- Keep windows and exterior doors closed in heated or air-conditioned areas.
- Use daylight from windows or skylights instead of electrical lighting whenever possible.
- Replace incandescent lamps with lower wattage LED lights whenever possible. LED lights also help reduce unwanted heat gain during hot summer months while still providing equivalent lighting.
- Turn off all unnecessary lights, including overhead lighting, lighting in unoccupied rooms, equipment, and storage areas. Reduce overhead lighting, decorative lighting, signage, and other lighting inside and out that is not necessary for security and safety. Maintain security and safety lighting at acceptable levels.
- Turn off all office and kitchen/lunchroom appliances, including copiers, printers, microwaves, toaster ovens, and coffee pots every night and weekend.
- Turn off all specialty equipment that will not be used over the weekend and holidays.
- Use hot water sparingly. Conserve water. Turn off water taps when not in use.
- Print double-sided.
- Designate a box for scrap paper that can be reused.

B. Technology absorption

<u>AI at the Core of Connected Modernization</u>

During the year under review, Sonata made significant strides in driving enterprise-wide transformation by placing Artificial Intelligence at the center of its modernization strategy. More than a standalone capability, AI became the foundational layer that powered and connected our core competencies—Dynamics, Cloud, Data, and Managed Services—creating a unified, intelligent ecosystem that enables AI-led frameworks and modernized business processes to consistently deliver measurable outcomes.

At the heart of this integrated strategy are three

pillars - People capability, AI platforms and purpose-built solutions. Our talent base has been elevated through GenAI-enabled roles and embedded architects, strengthening our core capabilities. Our proprietary AI Acceleration Platforms-Harmoni.AI and AgentBridge-serve as orchestration layers enabling intelligent automation and continuous modernization through a Responsible AI framework. These are complemented by purpose-built solutions like Support.ai and Command Centre.ai, which empower clients to scale with agility. Together, this triad has driven up to 40% improvements in ROI and operational efficiency.

Our Dynamics practice, backed by 30+ years of Microsoft partnership expanded from legacy upgrades to compete migrations and AI-led process transformation. We helped customers deploy Microsoft Copilot and Power Platform-based solutions to accelerate CRM and ERP modernization.

In Data Modernization, we strengthened our offerings around Microsoft Fabric, leveraging it as a foundational infrastructure for AI-driven data platforms, and enhanced our Lightning Data Suite with AI-powered tools like IntelliMapper and IntelliDQ, enabling smart data integration, governance, and quality management. Our Responsible First AI framework ensures readiness of trusted data for AI workloads.

We scaled our Cloud Modernization capabilities through partnerships with Microsoft, AWS, and others enabled by platformation approach. Using frameworks like Lightning Assess, Build, and Operate, embedded within Harmoni.AI Workbench, we delivered faster cloud migration, cloud upgrade and automation at scale.

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. With 6,500+ professionals trained in GenAI, Cloud, and Full-Stack capabilities, our in-house learning and development programs continue to build future-ready talent across AI, Dynamics, Cloud, and Data domains.

Sonata's AI-first, platform-led, and partner-driven approach consistently drives impactful modernization outcomes-earning recognition from clients, partners, and global analysts alike. We have also forged partnerships with world-class academic institutions to leverage cutting-edge research and maintain our leadership position. 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, 90% of the 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 ₹ 11,627 Lakhs and Foreign Exchange inflow on account of export of software services (net), goods and other operating revenues was ₹ 88,785 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.

One (1) complaint was received and disposed off within the prescribed ninety day period during the Financial Year 2024-25.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The controls are 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, 2025. M/s B S R & Co. LLP, 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, 2025, 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 at prevailing bank lending rate to its wholly-owned subsidiary, Sonata Information Technology Limited and Encore IT Services Solutions Private Limited for meeting its working capital requirements. The balance outstanding as on 31st March, 2025 is Nil. The maximum amount outstanding at any point of time during the Financial Year has been ₹ 2,100 Lakhs.

Your Company has extended corporate guarantees amounting to ₹ 34,685 lakhs on behalf of its subsidiary, Sonata Information Technology Limited, India, to support its business operations.

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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

During the Financial Year, your Company has spent ₹ 281.72 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 supported Agastya International Foundation for their project - "Hello Agastya". The

Hello Agastya app enhances student engagement via WhatsApp Business, enabling easy registration, automated grouping, and seamless quiz participation. Teachers can efficiently share educational content and monitor student progress, improving learning outcomes

Your Company has helped the Industree Crafts Foundation to build an Online Repository for Artisans to keep their designs and products. Sonata has provided technical assistance for the development of the application which helps users manage assets and content easily, making work faster and more efficient. Its flexible design allows new features to be added as needed. A simple and user-friendly interface ensures easy navigation. Real-time tracking helps monitor assets and courses effectively. With useful insights, users can make better decisions and improve operations.

Your Company has supported the NGO FVTRS in developing their website for operational efficiency. The NGO works in the area of digital skilling to underprivilege students. The website application enhances website usability, asset management, and user experience with a modern UI, mobile responsiveness, and performance optimization. It ensures fast loading, cross-browser compatibility, and an easy-to-manage CMS. The asset management system allows users to add, edit, move, and track assets efficiently with location and movement history. User management includes secure logins, profile updates, and role-based access control. Overall, it streamlines workflows, improves accessibility, and ensures better security and operational efficiency.

Your Company has partnered with Arvind Eye Hospital (Govel trust) for the development of the application. This application is a powerful tool for children with cerebral visual impairment (CVI), providing an Android-based platform designed to improve their vision and offer effective therapeutic interventions. The app will focus on facilitating earlier diagnosis and providing therapies specifically tailored to the unique visual needs of these children.

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 part of the Annual Report. The BRSR includes details on performance against the nine principles of the National Guidelines on Responsible Business Conduct and a report under each principle, which is divided into essential and leadership indicators. The said report comprehensively covers your Company's philosophy and describes the initiatives taken by the Company from an environmental, social and governance perspective on corporate social responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2024-25.

Environmental, Social and Governance (ESG): Your Company has launched ESG initiatives. The CSR Committee discharges oversight responsibility on matters related to organization wide ESG initiatives, priorities, and 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

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 2024-25 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 under the Companies Act, 2013 and Listing Regulations, Annual Evaluation was conducted by the Board of its own performance and that of its committees and 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 Chairman 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 2024-25 was discussed by the Independent Directors/ Board/ Nomination and Remuneration Committee. The Board of Directors of the Company noted the actions taken in improving Board effectiveness based on feedback given in the previous year. Further, the Board also noted areas requiring more focus in the future, which include Board diversity, Strategy discussion on succession planning, and Risk management.

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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

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, 2025.

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 Mr. Nagendra D Rao, Practicing Company Secretary, 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 2024-25 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
Chairman
DIN: 00008221

Place: Mumbai
Date: 7th May, 2025

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)

PART "A": SUBSIDIARIES

₹ 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 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
1	Sonata Information Technology Ltd.	NA	Same Reporting Period	INR	-	338	31,786	1,77,648	1,45,524	11,573	7,34,772	24,205	6,202	18,003	100
2	Sonata Software Solutions Limited	NA	Same Reporting Period	INR	-	1	16,981	21,213	4,231	2,058	15,565	8,267	1,134	7,133	100
3	Encore IT Services Solutions Private Limited	1-Aug-21	Same Reporting Period	INR	-	1	832	1,247	414	170	4,706	774	372	402	100
4	Quant Cloud Solutions Private Limited	10-Mar-23	Same Reporting Period	INR	-	91	3,462	4,777	1,224	-	3,801	640	148	492	100
5	Sonata Software North America Inc.	NA	Same Reporting Period	USD	USD = ₹ 85.46	122	50,502	2,17,807	1,67,183	1,39,071	1,75,505	32,982	3,178	29,804	100
6	Sonata Software GmbH	NA	Same Reporting Period	EURO	Euro = ₹ 92.09	32	155	811	624	-	1,256	376	63	314	100
7	Sonata Europe Ltd., UK	NA	Same Reporting Period	GBP	GBP = ₹ 110.70	2,501	5,585	17,489	9,403	2,155	15,272	(4,036)	369	(4,404)	100
8	Sonata Australia Pty Ltd	21-Dec-18	Same Reporting Period	AUD	AUD = ₹ 53.80	-	2,850	7,702	4,852	-	9,780	947	434	513	100
9	GAPbuster Worldwide Pty Limited	20-Apr-20	Same Reporting Period	AUD	AUD = ₹ 53.80	3,724	(2,714)	4,645	3,635	-	5,395	1,756	483	1,273	100
10	Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	20-Apr-20	Same Reporting Period	JPY	JPY = ₹ 0.57	17	376	473	78	-	817	251	93	158	100
11	Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia Sdn Bh)	20-Apr-20	Same Reporting Period	MYR	MYR = ₹ 19.28	-	(21)	147	169	-	255	69	30	39	100
12	Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	20-Apr-20	Same Reporting Period	CNY	CNY = ₹ 11.77	-	21	278	257	-	371	59	14	45	100
13	GAPbuster Inc	20-Apr-20	Same Reporting Period	USD	USD = ₹ 85.46	1	(283)	277	559	-	581	(174)	(37)	(137)	100
14	Sonata Software Intercontinental Limited	NA	Same Reporting Period	EURO	Euro = ₹ 92.09	-	(829)	541	1,369	-	812	(757)	-	(757)	100
15	Sonata Software Canada Limited	NA	Same Reporting Period	CAD	CAD = ₹ 59.67	1	121	306	184	-	422	(10)	9	(19)	100

SL No	Name of the subsidiary	Date since subsidi-ary 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 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
16	Sonata Latin America S. DE R.L. DE C.V.	NA	Same Reporting Period	PESO	Peso = ₹ 4.21	-	(21)	1,454	1,475	-	6,168	515	300	215	100
17	Quant Systems Inc	10-Mar-23	Same Reporting Period	USD	USD = ₹ 85.46	8	4,443	27,810	23,359	3,601	39,823	7,893	1,772	6,121	100
18	Sonata Software (Qatar) LLC	NA	Same Reporting Period	USD	USD = ₹ 85.46	12	(18)	-	6	-	-	-	-	-	49
19	Sonata Software Malaysia SDN BHD.[2]	NA	Same Reporting Period	MYR	MYR = ₹ 19.28	89	190	361	83	-	1,509	109	49	60	100
20	Sonata Software Solutions [3]	NA	For the period 12th May, 2024 to 31st March, 2025	EGP	EGP = ₹ 1.69	27	(9)	18	-	-	-	(7)	-	(7)	100

[1] Share Capital as at 31st March, 2025 for Sonata Australia Pty Ltd, is ₹ 108 and Sonata Latin America S. DE R.L. DE C.V. is ₹ 5,030.

[2] Incorporated in Malaysia with effect from 13th June, 2023.

[3] Incorporated in Egypt with effect from 12th May, 2024.

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. 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 effective 6th May 2024 and has been approved/completed on 19th June, 2024.
5. GAPbuster Europe Limited and GAPbuster Limited in the UK have been merged with Sonata Europe Limited, wholly-owned subsidiary of Sonata Software Limited on 16th July 2024.
6. Encore Software Services, Inc. in the US has been merged with Sonata Software North America, Inc., wholly-owned subsidiary of Sonata Software Limite on 26th August 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : 7th May, 2025

Place: Mumbai
Date : 7th May, 2025

Place: Mumbai
Date : 7th May, 2025

ANNEXURE II

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[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, 2025** 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, 2025** 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. 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 the following specific events in relation to Merger have taken place:

1. Encore Software Services Inc., USA (wholly owned subsidiary of Sonata Software North America Inc., USA) with Sonata Software North America Inc., USA (wholly owned subsidiary of the Company) has been completed and is effective from August 26, 2024.

2. Sonata Software LLC, USA (formerly known as Sopris Systems LLC) with Sonata Software North America Inc, USA ("SSNA"), wholly-owned subsidiary of the Company been completed and is effective from June 19, 2024.

3. GAPbuster Limited, UK and GAPbuster Europe Limited, UK with Sonata Europe Limited, UK, wholly-owned subsidiary of the Company has been completed and is effective from July 16, 2024.

We further report that during the audit period the Company has, **in compliance with the Act**, passed the below special resolutions:

a. At the Annual General Meeting held on August 06, 2024:

1. Appointment of Mr. Surin Shailesh Kapadia (DIN: 00770828) as an Independent Director of the Company.

2. Appointment of Ms. Mona Ninad Desai (DIN: 03065966) as an Independent Director of the Company and

3. Re-appointment of Mr. Sanjay K Asher (DIN: 00008221) as an Independent Director of the Company, for a second term of five consecutive years.

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: F005553G000293511

Place : Bengaluru
Date : May 7, 2025

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: F005553G000293511

Place : Bengaluru
Date : May 7, 2025

Annexure III

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY 2024-25

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 well-being 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, Independent Director	3	3
2	Mr. P. Srikar Reddy	Member, Executive Director	4	4
3	Mr. S B Ghia	Member, Non Executive Director	4	4
4	Mr. Samir Dhir	Member, Managing Director and CEO	4	4
5	Ms. Radhika Rajan**	Chairperson, Independent Director	2	1

* Inducted as Member w.e.f. 10th May, 2024 and appointed as Chairperson w.e.f. 15th August, 2024. Three meetings were held during her tenure.

**Ceased to be a Chairperson and Member w.e.f 12th August, 2024, due to completion of her tenure. Two meetings were held during her tenure.

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: https://www.sonata-software.com/sites/default/files/financial_reports/2023-02/composition-of-committees.pdf

   CSR Policy: https://www.sonata-software.com/sites/default/files/financial-reports/2022-10/corporate-social-responsibility-policy.pdf

   CSR Projects: https://www.sonata-software.com/about-us/sustainability

4 Provide the executive summary along with web-link(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): ₹ 14052.74 lakh
   (b) Two percent of average net profit of the Company as per section 135(5): ₹ 281.05 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: ₹ 0.71 lakh
   (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 280.34 Lakh

6 (a) Amount spent on CSR Projects (both ongoing projects and other than Ongoing Project): ₹ 268.30 lakh
   (b) Amount spent in Administrative Overheads: ₹ 13.42 Lakh
   (c) Amount spent on Impact Assessment, if applicable: Not applicable
   (d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 281.72 lakh

(e) CSR amount spent or unspent for the financial year:

₹ in Lakhs

Total Amount Spent for the Financial Year (in Lacs)	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
281.72	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)	281.05
(ii)	Total amount spent for the Financial Year	282.43*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.37
(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)]	1.37

* This includes total amount spent for the Financial Year i.e., ₹ 281.72 lakhs and previous year's excess CSR spent of ₹ 0.71 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

Yes ☐ No ■

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

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

Samir Dhir
Managing Director & CEO
DIN: 03021413

Date: 7th May, 2025

Mona Ninad Desai
Chairperson of CSR Committee
DIN: 03065966

Date: 7th May, 2025

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 2024-25:

Name of Director	Designation	% of increase / (decrease) compared to previous year	Ratio to Median remuneration of employees
Mr. Samir Dhir	Managing Director & CEO	106.84%*	116.54*
Mr. P Srikar Reddy	Executive Vice Chairman and Whole-time Director	(30.51%)**	25.82
Mr. S B Ghia	Director	-	3.55
Mr. Viren Raheja	Director	-	3.44
Mr. Sanjay Asher	Chairman & Director	-	3.49
Mr. Surin Shailesh Kapadia***	Director	NA	2.34
Ms. Mona Ninad Desai ***	Director	NA	2.35
Mr. Pradip P. Shah^	Director	NA	1.25
Ms. Radhika Rajan^	Director	NA	1.20

* The percentage / ratio increase include the combined variable pay for FY 2023-24 (which was payable only upon fulfilment of certain conditions in FY 2024-25) and for FY 2024-25.

** Includes Bonus plan in lieu of Stock Appreciation Rights.

*** Appointed during the year, hence % of increase compared to previous year is not applicable.

^ Completed their tenure during the year, hence % of increase compared to previous year is not applicable.

(ii) The percentage increase in remuneration of Chief Financial Officer & Company Secretary, in the Financial Year 2024-25:

Name of Person	Designation	% of increase / (decrease) compared to the previous year
Mr. Jagannathan C N	Chief Financial Officer	(33.14)%*
Ms. Mangal K Kulkarni	Company Secretary and Head-Legal	(22.46)%*

* Includes Bonus plan in lieu of Stock Appreciation Rights.

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2024-25:

The percentage decrease in the median remuneration of Sonata during the Financial Year under review is 3%. This has been arrived by comparing the median remuneration of the cost-to-the Company as on 31st March 2025 as compared to the previous year 31st March 2024.

(iv) The number of permanent employees on the rolls of the Company as on 31st March, 2025: 6,414 employees.

The total employee strength across the group as on 31st March 2025 is 6,873 as against 6,416 as on 31st March, 2024.

(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 bonus was given to key talent as a one-time payout, approximating to 4-6% of their salary.

(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

Chairman

DIN: 00008221

Date: 7th May, 2025

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 2024-25 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, 2025 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 Chairman 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 (7) listed companies or as Directors in more than ten (10) public companies. Further, none of them is a member of more than ten (10) committees and Chairperson of more than five (5) committees (as specified under Regulation 26(1) of the Listing Regulations) 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 and other applicable 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. The Company has obtained a Certificate to this effect from M/s GDR & Partners LLP, Company Secretaries (ICSI Firm Registration No: L2024KR016500), Bengaluru, as mandated under Schedule V, Part C, Clause 10(i) of the Listing Regulations.

During the Financial Year 2024-25, five (5) 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, 2024, 31st July, 2024, 6th November, 2024, 6th February, 2025 and 25th March, 2025. Two (2) Board Meetings in FY 2024-25 were held through Video Conferencing and three (3) Board Meetings were held in physical mode. The necessary quorum was present at all the meetings. The video conferencing facilities were arranged for Directors for participating in Board and Committee Meetings, in consonance with the applicable Laws and Regulations.

During the Financial Year 2024-25, 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.

CHAIRMAN

The Chairman of the Board is Mr. Sanjay K Asher, an Independent Director. The Company has separated the roles of the Chairman and the Managing Director & CEO to have a balanced governance structure. The Chairman 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

The names, designation and categories of the Directors and their shareholdings in the Company as of 31st March, 2025 are furnished below:

Name of the Director & DIN	Designation	Category	Equity shareholdings in the Company
Mr. Sanjay K Asher (00008221) *	Chairman & Director	Independent Director	Nil
Mr. S B Ghia (00005264)	Director	Non-Executive Director	13,332
Mr. Viren Raheja (00037592)	Director	Promoter, Non- Executive Director	2,20,00,000
Mr. P Srikar Reddy (00001401)	Executive Vice Chairman & Whole-Time Director	Executive Director	31,77,098
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	Nil

*Re-appointed as an Independent Director for a second term of 5 consecutive years w.e.f. 8th August, 2024 and further appointed as the Chairman of the Board w.e.f. 15th August, 2024.

**Appointed as Non-executive Independent Director w.e.f. 7th May, 2024.

Notes:

1. Mr. Pradip P. Shah (DIN: 00066242) ceased to be an Independent Director & Chairman of the Board w.e.f. 10th August, 2024 due to completion of his second term.
2. Ms. Radhika Rajan (DIN:00499485) ceased to be an Independent Director w.e.f. 12th August, 2024 due to completion of her second term.

Detailed profiles of all the Board members, comprising their experience, expertise, etc., are available on the Company's website https://www.sonata-software.com/board-of-directors

Details of the Directors attendance during the Financial Year 2024-25 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, 2025 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 on 6th August, 2024	No. of Directorships held in other Indian Companies	No. of Committee Memberships/ Chairpersonship held in other Indian Public companies*	
					As Chairperson	As Member
Mr. Sanjay K Asher	5	5	Yes	12	2	8
Mr. Pradip P Shah	2	2	Yes	NA	NA	NA
Mr. S B Ghia	5	5	Yes	1	0	2
Mr. Viren Raheja	5	5	Yes	12	0	3
Mr. P Srikar Reddy	5	5	Yes	3	0	3
Ms. Radhika Rajan	2	1	Yes	NA	NA	NA
Ms. Mona Ninad Desai	5	5	Yes	2	0	1
Mr. Surin Shailesh Kapadia	5	5	Yes	6	3	4
Mr. Samir Dhir	5	4	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	Deepak Nitrite Limited	Non-Executive - Independent Director
	Ashok Leyland Limited	Non-Executive - Non-Independent Director
	Hawkins Cookers Limited	Non-Executive - Independent Director
	Sun Pharmaceutical Industries Limited	Non-Executive - Non-Independent Director
	Gillette India Limited	Non-Executive - Independent Director
	Epigral Limited	Non-Executive - Independent Director
Mr. S B Ghia	Futura Polyesters Limited	Chairman & Managing Director
Mr. Viren Raheja	Hathway Cable & Datacom Limited	Non-Executive- Non-Independent Director
Mr. P Srikar Reddy	Visaka Industries Limited	Non-Executive - Independent Director
	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 are the areas of focus or expertise of individual members.

- **MR. SANJAY K ASHER** - He is a Non-Executive Independent Director and Chairman 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, behavioral science, strategy management and leadership abilities.
- **MR. S B 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 behavioral 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, behavioral 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 and 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, behavioral 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 https://www.sonata-software.com/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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the Rules made thereunder.

During the Financial Year under review, the Audit Committee met five (5) times on 7th May, 2024, 31st July, 2024, 6th November, 2024, 6th February, 2025 and 25th March, 2025.

The maximum interval between any two meetings did not exceed one hundred twenty (120) days, as prescribed under the Companies Act, 2013. The previous 29th AGM of the Company was held on 6th August, 2024 and was attended by Chairman of the Audit Committee.

The Audit Committee generally invites the Chief Financial Officer, VP – Finance & Accounts 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.

- **Details of Composition and Attendance of the Audit Committee Meetings during the year:**

Name of the Director	Category	Position	Number of Meetings	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia*	Independent Director	Chairman	4	4
Mr. Pradip P Shah **	Independent Director	Chairman	2	2
Mr. S B Ghia	Non- Executive Director	Member	5	5
Ms. Radhika Rajan***	Independent Director	Member	2	1
Mr. Sanjay K Asher	Independent Director	Member	5	5
Ms. Mona Ninad Desai****	Independent Director	Member	4	4

* Inducted as Member w.e.f. 10th May, 2024 and appointed as Chairman w.e.f 15th August, 2024.

** Ceased to be a Chairman and Member w.e.f 10th August, 2024, due to completion of his tenure.

*** Ceased to be a Member w.e.f. 12th August, 2024, due to completion of her tenure.

**** Inducted as Member w.e.f. 10th May, 2024.

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 recommend 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;
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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

During the Financial Year under review, the Nomination and Remuneration Committee met four (4) times on 7th May, 2024, 31st July, 2024, 6th November, 2024 and 6th February 2025. The previous 29th AGM of the Company was held on 6th August, 2024 and was attended by Chairman of the Nomination and Remuneration Committee.

- **Details of Composition and Attendance of the Nomination and Remuneration Committee Meetings during the year:**

Name of the Director	Category	Position	Number of Meetings	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia*	Independent Director	Chairman	3	3
Mr. Sanjay K Asher**	Independent Director	Member	4	4
Mr. Viren Raheja	Promoter, Non-Executive Director	Member	4	4
Mr. Pradip P Shah***	Independent Director	Member	2	2

* Inducted as Member w.e.f. 10th May, 2024 and appointed as Chairman w.e.f 6th November, 2024.
** Ceased to be a Chairman and continued to be a Member w.e.f 6th November, 2024.
*** Ceased to be a Member w.e.f 10th August, 2024, due to completion of his tenure.

Note:

Mr. Sanjay K Asher, being the senior Independent Director, Chairperson of NRC was appointed as Chairperson of Board for the interim period (15th August-5th November, 2024). During this period no meetings and decisions were taken. The Company had received notice from NSE & BSE Limited. The concurrent position was regularized effective 6th November, 2024. The Company had received notices from both Stock Exchanges and had sought waiver of penalty, which was granted.

- **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. The 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, 2025:**

₹ in Lakhs

Name	Salary & Perquisites	Commission & Sitting fees	Shares issued under ESOP	Details of service contracts, notice period & severance fees
Mr. Pradip P Shah	-	15.32*	-	
Mr. Sanjay K Asher	-	42.80	-	
Mr. P Srikar Reddy	317.09	-	-	As per agreement dated 11th February, 2023, effective 14th February, 2023, appointed as an Executive Vice Chairman & WTD for a period of three years.
Mr. S B Ghia	-	43.60	-	
Mr. Viren Raheja	-	42.20	-	
Ms. Radhika Rajan	-	14.72*	-	
Mr. Samir Dhir**	1,268.36#	162.75	-	Original agreement dated 9th May, 2022, amended on 14th February, 2023, for re-designation as Managing Director & CEO. ESOPs granted as per employment agreement
Mr. Surin Shailesh Kapadia	-	28.68***	-	
Ms. Mona Ninad Desai	-	28.88***	-	

* Completed their tenure during the year and hence sitting fees paid for part of the year, as applicable.

** Payable in USD. It includes variable pay for FY 2023-24 (which was payable only upon fulfilment of certain conditions in FY 2024-25) and for FY 2024-25 and does not include other long-term incentives which are due and payable only upon fulfilment of certain conditions in FY 25-26 and beyond.

Excluding perquisite value of ESOPs exercised during the year.

*** Appointed during the year and hence sitting fees paid for part of the year, as applicable.

Note:

1. All figures rounded off.

2. Mr. Samir Dhir exercised 44,000 shares during FY 25. 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 fees 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, 2024, 31st July, 2024, 6th November, 2024 and 6th February, 2025.

The previous 29th AGM of the Company was held on 6th August 2024 and was attended by Chairman 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	Number of Meetings	
			Held during the tenure	Attended
Mr. S B Ghia	Non-Executive Director	Chairman	4	4
Mr. P Srikar Reddy	Executive Director	Member	4	4
Ms. Radhika Rajan*	Independent Director	Member	2	1
Mr. Samir Dhir	Managing Director & CEO	Member	4	4
Ms. Mona Ninad Desai**	Independent Director	Member	3	3

* Ceased to be a Member w.e.f. 12th Aug, 2024, due to completion of her tenure.

** Inducted as Member w.e.f. 10th May, 2024.

During the Financial Year under review, 9 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 the 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 Companies Act, 2013 and its Charter. The CSR Committee is guided by the Charter/CSR Policy adopted by the Board . The CSR Policy is available on the Company's website at https://www.sonata-software.com/about-us/investor-relations/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 2024-25 i.e., on 7th May, 2024, 31st July, 2024, 6th November, 2024 and 6th February, 2025.

CSR Report:

The CSR Report as required under the Companies Act, 2013, for the year ended 31st March, 2025 is attached as Annexure III to the Board's Report, covering the CSR activities, CSR 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	Number of Meetings	
			Held during the tenure	Attended
Ms. Mona Ninad Desai*	Independent Director	Chairperson	3	3
Ms. Radhika Rajan**	Independent Director	Chairperson	2	1
Mr. P Srikar Reddy	Executive Director	Member	4	4
Mr. S B Ghia	Non-Executive Director	Member	4	4
Mr. Samir Dhir	Managing Director & CEO	Member	4	4

* Inducted as Member w.e.f. 10th May, 2024 and appointed as Chairperson w.e.f 15th August, 2024.

** Ceased to be a Chairperson and Member w.e.f 12th August, 2024, due to completion of her tenure.

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 https://www.sonata-software.com/about-us/investor-relations/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 2024-25 i.e., on 31st July, 2024 and 6th February, 2025.

• **Details of Composition and Attendance of the Risk Management Committee Meetings during the year:**

Name of the Director	Category	Position	Number of Meetings	
			Held during the tenure	Attended
Mr. Surin Shailesh Kapadia*	Independent Director	Chairman	2	2
Mr. Pradip P Shah**	Independent Director	Chairman	1	1
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

* Inducted as Member w.e.f. 10th May, 2024 and appointed as Chairman w.e.f. 15th August, 2024.

** Ceased to be a Chairman and Member w.e.f. 10th August, 2024 due to completion of his tenure.

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, a Meeting of the Independent Directors was held during the Financial Year 2024-25 without the attendance of the Non-Independent Directors and members of the management. Apart from yearly meeting, the Independent Directors alone also meet quarterly on need basis prior to the Audit Committee Meeting or Nomination and Remuneration Committee meeting.

• Particulars of Senior Management Personnel as on 31st March, 2025:

Name of Senior Management Personnel	Designation
Mr. Anthony Lange	Senior Vice President- Global Partner Officer
Mr. Balaji Kumar A	Chief Human Resource Officer
Mr. Hemant Kumar Bharadwaj	Senior Vice President-Marketing
Mr. Jagannathan C N	Senior Vice President & Chief Financial Officer
Mr. Rajsekhar Datta Roy	Senior Vice President- CTO Organisation
Mr. Suresh H P	Executive Vice President- Delivery Leadership
Mr. Sujit Mohanty	Executive Vice President-Sales
Ms. Mangal Kulkarni	Company Secretary, Compliance Officer and Head - Legal
Ms. Sharmila Sherikar	Senior Vice President-MDO & CEO

Note: No changes to the above Senior Management Personnel during FY 24-25.

IX SHAREHOLDERS MEETINGS

• **Details of the last three Annual General Meetings are as follows:**

Financial Year	Date	Venue	Time (IST)
2021-22	24.06.2022	Held through Video conferencing / other Audio-visual means	4.00 p.m.
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.

- Special Resolutions were passed in the previous three AGMs as detailed below:

  a) Financial year 2021-22 – Yes, the following Special Resolution was passed for:

     i. Approval of the continuation of Mr. Shyam Bhupatirai Ghia as a Non-Executive Non-Independent Director after attaining the age of 75 years.

  b) Financial year 2022-23 – Yes, the following Special Resolutions 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.

  c) 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.

- 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: No postal ballot activity was conducted during FY 2024-25.

X. MEANS OF COMMUNICATION

Quarterly results / other information

- The half yearly/ quarterly 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 at https://www.sonata-software.com/.
- Presentations made to the institutional investors and financial analysts on the Company's financial results are uploaded on the Company's website at https://www.sonata-software.com/about-us/investor-relations/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 https://www.sonata-software.com/about-us/investor-relations.

XI. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (AGM)

   The ensuing Thirtieth (30th) Annual General Meeting of the Company will be held on 31st July, 2025 at 4:00 p.m. IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI, which dispensed the requirement to conduct AGM at a venue for meetings scheduled in the calendar year 2025. 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. Payment of Dividend

   Your Board has recommended a final dividend of ₹ 4.40/- per equity share (440%) subject to the

approval of the shareholders at the ensuing AGM. The final dividend, if approved, shall be paid/ credited on or after 8th August, 2025.

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 2024-25 have been paid to the above-mentioned stock exchanges.

(c) As of 31st March, 2025 your Company had 1,72,801 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 https://www.sonata-software.com/about-us/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, 2024 to 31st March, 2025:

Complaints	Received	Resolved	Pending
Non-receipt of dividend	5	5	0
Non-receipt of Annual Report	0	0	0
Others	4	4	0
Total	9	9	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 along with additional information and official news releases, are posted on our website, at https://www.sonata-software.com/about-us/investor-relations/corporate-governance.
- Earnings calls with analysts and investors and their audio recordings along with transcripts are published on our website at https://www.sonata-software.com/about-us/investor-relations/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 on 31st March, 2025				As on 31st March, 2024			
	No. of share holders	% to total holders	No. of shares	% to total shares	No. of share holders	% to total holders	No. of shares	% to total shares
1-500	159877	92.52	9728694	3.47	128840	88.87	9755064	3.48
501-1000	5958	3.45	4093133	1.46	7579	5.23	5165035	1.84
1001-5000	5431	3.14	11126714	3.97	6707	4.63	13444786	4.79
5001-10000	758	0.44	5077280	1.81	922	0.64	6187761	2.21
Over 10001	777	0.45	250398995	89.29	924	0.64	245872170	87.68
Total	**172801**	**100.00**	**280424816**	**100.00**	**144972**	**100.00**	**280424816**	**100.00**

(b) Shareholding Pattern

Category	As on 31st March, 2025				As on 31st March, 2024			
	No. of share holders	% to total holders	No. of shares	% to total shares	No. of share holders	% to total holders	No. of shares	% to total shares
Promoters	5	0	78995862	28.17	5	0	78995862	28.17
Body Corpo-rates	518	0.3	4970676	1.77	1115	0.77	6927011	2.47
FIIs / NRIs	3729	2.16	33350349	11.89	4116	2.84	42714857	15.23
IFIs/Mutual Funds/ Banks	37	0.02	72500252	25.85	43	0.03	53449513	19.06
Trusts	7	0	2819802	1.01	11	0.01	2956534	1.05
Clearing Mem-bers	5	0	7266	0	9	0.01	9735	0
Public	168500	97.52	87780609	31.30	139673	96.34	95371304	34.01
Total	172801	100	280424816	100	144972	100	280424816	100

(c) Top five equity shareholders of the Company

Category	As on 31st March, 2025			
	No. of shares	% of holding	No. of shares	% of holding
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
HDFC Trustee Company Ltd. A/C HDFC Multi-Asset Fund	2,30,78,174	8.23	2,14,96,779	7.67

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, 2025		As on 31st March, 2024	
	No. of Shares	% of paid-up share capital	No. of Shares	% of paid-up share capital
Physical	5,61,217	0.20	6,52,345	0.23
Electronic	27,98,63,599	99.80	27,97,72,471	99.77
Total	28,04,24,816	100.00	28,04,24,816	100.00

Number of Shares dematerialized during FY 2024-25: 89,128 Shares.

Number of Shares rematerialized during FY 2024-25: 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 https://www.sonata-software.com/about-us/locations for more details.

10. The details of credit rating of the Company as at 31st March, 2025 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 2025-26

Financial results for the first quarter ending 30th June, 2025	July, 2025
Financial results for the second quarter ending 30th September, 2025	November, 2025
Financial results for the third quarter ending 31st December, 2025	February, 2026
Financial results for the financial year ending 31st March, 2026	May, 2026
Annual General Meeting for the financial year ending 31st March, 2026	July/August, 2026

12. Address and contact details of the Company and Registrar & Share Transfer Agent

Company Secretary

Tower-A, Sonata Towers, Global Village (Sattva Global City), RVCE Post, Kengeri Hobli, Mysore Road, Bengaluru 560059, India

Tel: (080) 6778 1999

Email: investor@sonata-software.com

Website: https://www.sonata-software.com/

Name of RTA: KFin Technologies Limited

Registrar and Share Transfer Agent
Selenium Building, Tower B, Plot No.31-32,
Financial District Nanakramguda,
Serilingampally, Hyderabad - 500 032, India.

Tel: (040) 67161591

Email: einward.ris@kfintech.com

Website: https://www.kfintech.com

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, which was last amended on 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

The Company affirms that no employee has been denied access to the Audit Committee during the Financial Year 2024-25.

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 https://www.sonata-software.com/about-us/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 2024-25, 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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

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 the 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 follow:

Particulars	₹ in lakhs
Remuneration for audit of the Company and its subsidiaries	271
Remuneration for other services	31
Re-imbursement of out-of pocket expenses	16
Total	318

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 https://www.sonata-software.com/about-us/investor-relations/corporate-governance.

a. the number of complaints filed during the financial year: 1

b. number of complaints disposed of during the financial year: 1

c. the number of complaints pending as of the end of the financial year: Nil

O. Subsidiaries

As on 31st March, 2025, Your Company had 22 subsidiaries including step-down subsidiaries. During the financial year, 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, no statutory auditors are appointed.

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, Samir Dhir, Managing Director and CEO 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, 2025.

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 www.sonata-software.com.

Members who have not yet encashed their dividend warrant(s) of the final dividend for the financial year 2017-18 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.

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, Samir Dhir, Managing Director & CEO 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, 2025 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, 2025, 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, 2025, 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.

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

Date: 7th May, 2025

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, 2025, 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, 2025**.

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: F005553G000293566

Place: Bengaluru
Date: May 7, 2025

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, 2025 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: F005553G000293599

Place: Bengaluru
Date: May 7, 2025

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**	Sonata Towers, Global village, RVCE Post Mysore Road, RV Niketan, Bangalore, Bangalore South, Karnataka, India, 560059
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**	2024-25
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 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	14	14
2	International	NA	23	23

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?

40%

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
- Commodity Business
- Consumer Product Goods
- Energy Resources and Utilities
- Healthcare and Life Sciences
- High Technology
- Independent Software Vendors
- 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)	6414	4466	69.6	1948	30.3
2.	Other than permanent (E)	459	318	69.3	141	30.7
3.	Total employees (D+E)	6873	4784	69.6	2089	30.4
	Workers					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	164	139	84.8	25	15.2
6.	Total workers (F+G)	164	139	84.8	25	15.2

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	25.00%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Total		
Permanent employees	1088	426	1514	1083	423	1506	639	248	887
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	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	Quant Systems Inc.	Subsidiary	100	Yes
18	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.)

1,015,725 Lakhs

iii. Net Worth (in Rs.)

170,594 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 (NGRBC)

Stakeholder group from complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2025_Current Financial Year			FY __2024_Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	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		9	0	All the complaints were promptly resolved.	40	NIL	All complaints 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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

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 talent-centric organization that prioritizes its people. In pursuit of leadership and scalable growth, Sonata has strategically aligned its human capital capabilities with advancements in technology. The global shift toward digital transformation has brought attention to the imbalance in skilled labour. Sonata's continued success is significantly reliant on its ability to attract, engage, and retain highly skilled technology professionals.	Sonata implements industry-leading practices to foster a strong and collaborative relationship between management and employees. Employee engagement remains high, supported by regular engagement initiatives conducted across various levels of the organization. Sonata's focus on its core values, referred to as DNA (Deep Nurtured Attributes), along with a robust rewards and recognition framework, strengthens employee commitment to Sonata.	Positive Impact:Enhances employee performance and experience, contributing directly to the Company's growth and elevating 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 remains firmly committed to upholding strong Corporate Governance standards. The core objective is to enhance long-term shareholder value while simultaneously safeguarding the interests of other stakeholders, ensuring full compliance with applicable laws and regulations. As regulatory requirements continue to evolve and become more stringent, the Company proactively reviews its governance practices to remain prepared for future obligations.	The Sonata has established comprehensive policies, processes, and systems that reflect its commitment to the principles of Corporate Governance. Recent updates have been made to these policies to further strengthen governance practices.	Negative Impact (Mitigated):The process of incorporating robust governance policies and practices, while resource-intensive, is essential in reinforcing stakeholder trust and confidence in the organization.
3	Privacy Protection & Cybersecurity	Risk	The expansion of Sonata operations and the adoption of remote working models may heighten the risk of data breaches. Effective oversight and compliance with global regulatory requirements are critical to safeguarding the Company's reputation among clients. Failure to ensure data privacy and timely incident reporting may expose the Company to potential financial liabilities.	Sonata successfully completed certification audits for the Information Security Management System in accordance with the ISO 27001 standard, and the Service Management System as per the ISO 20000 standard. These certifications have been added to support the delivery of Cloud Management and Support services.	Negative Impact:Such incidents may result in regulatory consequences and adversely affect the Company's reputation.
4	Climate Change (Climate Risk & GHG Emissions)	Risk and Opportunity	Climate change risks are increasingly influencing the Sonata's operations and profitability. The potential introduction of carbon taxes in the near future may affect our growth prospects. While the initial investment required to transition toward a low-carbon economy may be significant, long-term benefits are expected through the adoption of renewable energy sources and implementation of energy-efficient practices. Additionally, the Company has the opportunity to generate revenue by offering climate-related technologies and services.	Sonata has effectively implemented initiatives aimed at enhancing energy efficiency and reducing emissions. These efforts have contributed to lowering operational costs and minimizing the Company's carbon footprint. Looking ahead, Sonata is committed to transitioning to renewable energy sources and achieving carbon neutrality by 2030, thereby reducing reliance on grid-based energy.	Positive Impact:While the initial financial outlay may be significant due to increased operating costs associated with meeting environmental standards, it positions the Company to remain competitive and leverage evolving market 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 form the foundation of our business. The expansion of our customer base is closely linked to the pace at which organizations embrace digital transformation. Sonata's robust digital service offerings have played a pivotal role in enabling business transformation for clients, driven by thought leadership, a customer-centric approach, and operational excellence. In response to evolving consumer expectations, the Company has integrated bots and virtual assistants, which are expected to unlock significant growth opportunities. The pandemic has altered consumer purchasing patterns, prompting leading market players to innovate and develop adaptive solutions to meet shifting demands.	To address the evolving demands of consumers, Sonata has developed and launched Harmoni. AI—a Responsible-First AI platform for enterprises. This comprehensive solution includes a suite of industry-specific applications, service delivery platforms, and accelerators powered by Generative Artificial Intelligence. Our capabilities in Digital and Modern Engineering have matured significantly and continue to evolve rapidly to meet dynamic customer requirements. The service portfolio spans from advisory and consulting for digital transformation—guided by our Platformation approach—to the design, development, deployment, and management of digital platforms.	Positive Impact:Strong customer relationships, proactive stakeholder engagement, and the use of proprietary tools that enable faster time-to-market, cost efficiency, and agile delivery have contributed to the acquisition of new customers and the retention of existing clients.
6	Human Rights and Health & Safety	Opportunity	The health and safety of employees and stakeholders associated with the organization is a critical ESG consideration. Establishing a safe and healthy work environment not only ensures compliance with regulatory requirements but also positively impacts the Company's overall productivity.	Sonata has established an Environment, Health, and Safety (EHS) team dedicated to ensuring the health and safety of its employees. The Company has implemented an EHS policy applicable to its office locations, which emphasizes the safety and well-being of workers in the workplace.	Positive Impact:Robust initiatives focused on employee engagement, comprehensive training programs, and effective grievance redressal mechanisms have contributed significantly to enhancing employee retention.
7	Corporate citizenship & Philanthropy	Opportunity	Sonata is committed to fostering value creation within the society and communities where it operates. Through its services, responsible conduct, and various initiatives, Sonata aims to promote inclusive and sustained growth while also addressing environmental concerns.	Sonata drives its community well-being initiatives through a well-defined strategy and structured implementation framework. In collaboration with NGO partners engaged in various aspects of community development, Sonata effectively addresses societal needs. A robust multi-level review mechanism, from leadership to management, ensures early identification of gaps and timely resolution.	Positive Impact:The outcomes and effectiveness of our initiatives contribute to strengthening stakeholder trust and enhancing the Sonata's credibility.

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 is exposed to a range of risks, including financial, operational, and climate-related risks. Business performance may be affected by unforeseen economic reforms, adverse currency fluctuations, intensifying competition, and evolving regulatory requirements across different regions.	Sonata's risk management framework is designed to support its long-term vision and mission. It involves continuous assessment of business risks and ongoing improvement of risk management practices. The Board of Directors actively formulates risk mitigation strategies, which are executed by the Executive Management team with regular updates provided to the Board.	Negative Impact:Exposure to various risks may lead to adverse financial consequences for the Sonata.
9	Innovation Management	Opportunity	At Sonata, a strong culture of innovation is deeply embedded within the organization. Our skilled workforce, along with dedicated research and testing capabilities, has empowered us to broaden our portfolio of offerings and enhance the delivery of our software platforms and services. These solutions are further customized to address the specific needs of clients across diverse industries, geographies, and technical or service requirements.	Sonata introduced two flagship events aimed at fostering innovation and showcasing technical excellence: Tech Fest: A platform to exhibit best-in-class solutions delivered to clients and prospects, highlighting Sonata's technical expertise and execution capabilities. Sonata Spark: An initiative designed to nurture technological talent within the organization, encouraging innovation that drives client success and identifying solutions with potential for incubation and future growth. 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
10	Resource Management (Water & Waste)	Opportunity	Resource efficiency presents an opportunity for Sonata to enhance operational processes while reducing environmental impact. The solutions implemented by the Sonata have led to substantial cost savings and have contributed positively to environmental sustainability.	Sonata has undertaken several initiatives to promote energy and resource efficiency, including:	Positive Impact:The implementation of various cost-efficiency measures has led to favorable financial outcomes for the Sonata.

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)
11	Supply Chain Management	Risk and Opportunity	Sonata engages with a diverse range of suppliers who support the delivery of our services and products. There is a growing emphasis on public disclosure, with clients increasingly expecting transparency in the ESG performance of our supply chain. As a result, we are required to onboard suppliers demonstrating strong sustainability practices and assess their performance against defined ESG criteria. Given that supplier performance directly impacts our business, it is imperative to adopt a diligent approach to sustainable procurement and sourcing to effectively manage potential supply chain challenges.	Sonata has integrated ESG indicators into its supplier onboarding process alongside traditional factors like cost and quality. This approach advances sustainability across the value chain and supports Sonata's goal of responsible and sustainable sourcing.	Positive Impact: Adopting a structured approach to integrate sustainability across the value chain enables Sonata to proactively mitigate supply chain risks and potential disruptions.

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
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	https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/Sonata_Vigil_Mechanism.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/Code-of-Conduct-for-Directors-and-Senior-Management-Employee.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/code_of_business_conductethics.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/Sonata-Third-Party-Code-of-Conduct-and-Business-Ethics-2016.pdf									
P2	https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/code_of_business_conductethics.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/coc_supplier_ve.pdf P3 https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/human_rights_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/dei_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/ehs_policy.pdf									
P3	https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/human_rights_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/dei_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/ehs_policy.pdf									
P4	https://www.sonata-software.com/sites/default/files/financial-reports/2022-10/corporate-social-responsibility-policy.pdf									
P5	https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/human_rights_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/dei_policy.pdf									
P6	https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/sustainability_policy.pdf https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/ehs_policy.pdf									

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
P7	https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/code_of_business_conductethics.pdf https://www.sonata-software.com/about-us/investor-relations/corporate-governance									
P8	https://www.sonata-software.com/sites/default/files/financial-reports/2022-10/corporate-social-responsibility-policy.pdf https://www.sonata-software.com/about-us/investor-relations/corporate-governance									
P9	https://www.sonata-software.com/sites/default/files/financial-reports/2022-10/corporate-social-responsibility-policy.pdf https://www.sonata-software.com/about-us/investor-relations/corporate-governance									
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, Trustee) 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%								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Environment**: • Net Zero emissions by 2050 : 85% reduction of Scope 1 + 2 emissions over base year 2019-20. 84% reduction in the economic intensity of Scope 3 over base year 2019-20 **Social:** • Audit/Assessment of 10% Tier-1 suppliers.: Achieved • Aim to increase share of women in total workforce to 32-33% by FY 26:: 30.68%								

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) principles are integral to our business strategy and long-term value creation. In FY 2024–25, we continued to make meaningful strides in advancing our ESG agenda, while navigating a dynamic regulatory and operational landscape.

Among our key achievements this year: We reduced our operational carbon footprint by 38.2% (from last year) through energy efficiency and digital sustainability measures. We launched focused initiatives to enhance gender diversity, resulting in a 1.1% increase in women in mid-management roles. Our community programs reached over 1,75,041 beneficiaries, reflecting our ongoing commitment to inclusive growth.

Our roadmap for the next phase includes: Achieving 34% gender diversity by FY 2027, and Strengthening ESG risk integration into core business operations. We remain committed to transparent reporting, stakeholder engagement, and continuous improvement as we work toward a more sustainable and equitable future.

Samir Dhir

Managing Director & CEO.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Board level Corporate Social Responsibility (CSR) Committee is responsible for implementation and

oversight of the Business Responsibility policy. Board level Corporate Social Responsibility (CSR) Committee is responsible for implementation 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 Corporate Social Responsibility (CSR) Committee of the Board also oversees matters related to sustainability. It convenes at least four times during the financial year to deliberate on CSR and sustainability-related topics.

10. Details of Review of NGRBCs by the Company

	Subject for Review	a. Indicate whether review was undertaken by Director (D) / Committee of the Board (C) / Any other Committee (A)*								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against above policies and follow up action	C	A	A	C	A	A	A	C	C
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	C	A	A	C	A	A	A	C	C
	Subject for Review	b. Frequency (Annually (A) / Half Yearly (HY) / Quarterly (Q) / Any other – please specify)*								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against above policies and follow up action	A	A	A	Q	A	A	A	Q	Q
2	Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	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

The Policies are reviewed by external consultants, as and when required, to adopt best practices are followed.

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
1	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	1278 Total number of training Tech & Non Tech (ILT 378 & 900 Self Learning Programs)	Technical: 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), Testing, Gen AI (LLMs, Prompt Engineering, Harmoni.ai, Azure Open AI, AWS Bedrock, Copilot,Agentic AI), Devops (Docker, Kubernetes), Project Management, System Training & Process Training Non Technical: POSH, ESG, Infosec	Technical: 78 % Non Technical: 91 %
4	Workers	12	EHS Office ESI & PF awareness; Basics of FIRE and SAFETY; About PF & ESI Punctuality; About PPE & Usage; AED Operation; Awareness training on sustainability; Basic Cleaning Process-Self inspection the area; Access Control and Basic of Fire;Basic Cleaning Process-Self inspection the area; FIRST AID ; Communication Skills; Contractor trainings-UDS TRAINING; Crisis and Disaster management; Critical area & Equipment; Discipline; Grooming	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 complies with all applicable laws and regulations, including those related to anti-bribery, anti-corruption, and the ethical management of conflicts of interest. Sonata is committed to upholding the highest standards of integrity and transparency in all business operations. In addition to the Code, a comprehensive Anti-Corruption Policy has been implemented, applicable to all individuals working with Sonata's affiliates, subsidiaries, and joint ventures, regardless of their role or level.

This policy reinforces our zero-tolerance approach to corruption and is readily accessible to all employees via our internal intranet portal.

Below are the links for the reference :

https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/code_of_business_conductethics.pdf

https://www.sonata-software.com/sites/default/files/financial-reports/2024-10/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 - 2025 (Current Financial Year)	FY - 2024 (Previous Financial Year)
1	Directors	NIL	NIL
2	KMPs	NIL	NIL
3	Employees	2	NIL
4	Workers	NA	NA

6. Details of complaints with regard to conflict of interest

	Particulars	FY - 2025 (Current Financial Year)		FY - 2024 (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 - 2025 (Current Financial Year)	FY - 2024 (Previous Financial Year)
Number of days of accounts payables	72	79

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	Matrics	FY 2025	FY 2024
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%	0.02%
	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

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 pro-curement.	51%

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

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	Current Financial Year 2025	Previous Financial Year 2024	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?

51%. 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 2025 (Current Financial Year)	FY 2024 (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	FY 2025 (Current Financial Year)			FY 2024 (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 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	4466	4466	100%	4466	100%	0	0	NA	NA	4466	100%
Female	1948	1948	100%	1948	100%	1948	100%	NA	NA	1948	100%
Total	6414	6414	100%	6414	100%	1948	100%	NA	NA	6414	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	139	139	100%	139	100%	NA	NA	NA	NA	NA	NA
Female	25	25	100%	25	100%	NA	NA	NA	NA	NA	NA
Total	164	164	100%	164	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 - 2025 Current Financial Year	FY - 2024 Previous Financial Year
Cost incurred on wellbeing measures as a % of company	0.35	0.30

2. Details of retirement benefits for Current and Previous FY

S. No.	Benefits	FY 2025			FY 2024		
		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.)	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	Supreannuation	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 buildings are equipped with features such as low-slope ramps, elevators, and accessible washrooms. Our entities are accessible by differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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, We have an Equal Opportunity, Diversity and Inclusion policy. Web link mentioned below

https://www.sonata-software.com/sites/default/files/financial-reports/2023-05/dei_policy.pdf

5. Return to work and Retention rates of permanent employees 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 "Grievance Redressal Policy". A dedicated email Id is available to available to receive and redress grievances
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees in association(s) or Unions recognized by the listed entity

Category	FY - 2025 (Current Financial Year)			FY - 2024 (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)			
Employees									
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers									
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY - 2025 Current Financial Year					FY - 2024 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation (D)		Total (D)	On Health and safety measures		On Skill upgradation (D)	
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4789	2291	48%	3741	78%	4439	2574	58%	2762	62%
Female	2089	1061	51%	1692	81%	1977	1184	60%	1931	98%
Total	6873	3352	49%	5433	79%	6416	3758	59%	3862	60%
Workers										
Male	139	139	100%	139	100%	164	164	100%	164	100%
Female	25	25	100%	25	100%	24	24	100%	24	100%
Total	164	164	100%	164	100%	188	188	100%	188	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY - 2025 Current Financial Year			FY - 2024 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4784	3856	81%	4439	3340	75%
Female	2089	1650	79%	1977	1500	76%
Total	6873	5506	80%	6416	4840	75%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and Safety Management System

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 implemented a comprehensive Environmental, Health, and Safety (EHS) policy aimed at ensuring continuous improvement in workplace safety and well-being. Sonata acknowledges its responsibility towards the environment, the community, and the overall social welfare of its stakeholders, and remains committed to protecting the health and safety of all its employees.

Key components of the EHS Management System include:

Policy and Oversight: Sonata's EHS policy serves as a framework to guide its commitment to excellence in health and safety practices. An in-house EHS team actively leads, monitors, and manages all health and safety initiatives across the organization.

Infrastructure and Signage:Fire, electrical, and other critical safety signage have been installed in all offices across India. The EHS team ensures that all employees are informed of these signs and adhere to the prescribed safety protocols.

Observation and Corrective Action:Unsafe observations are tracked on a monthly basis across all locations. These are documented in an EHS register, and prompt corrective measures are undertaken to eliminate associated risks.

Emergency Preparedness:An Emergency Preparedness Plan is in place to equip employees with the knowledge and procedures needed to respond to emergency situations. The plan includes evacuation protocols, first aid procedures, fire safety measures, and other emergency response guidelines.

EHS Audits:The status of EHS compliance in each office is evaluated using a standardized EHS Audit checklist, facilitating a systematic approach to identifying and addressing gaps.

Training and Awareness Programs:Regular health and safety awareness sessions, including seminars and workshops, are conducted to ensure all personnel are well-informed and capable of maintaining a safe working environment.

Incident Management:Sonata follows a structured Incident Management Process encompassing incident investigation, internal communication, documentation, control measures, and root cause analysis. Every reported incident is promptly investigated, recorded in the Incident Register, and addressed through appropriate corrective and preventive actions.

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 structured process to identify work-related hazards. To facilitate this, a comprehensive Hazard Identification and Risk Assessment (HIRA) document has been developed. This document is utilized by the EHS team to systematically identify potential hazards, assess associated risks, and determine appropriate operational controls to mitigate or eliminate those risks effectively.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees 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	FY - 2025 Current Financial Year	FY - 2024 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 conse-quence work-re-lated 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 educate employees on critical safety guidelines and best practices to be followed during work hours. These sessions address various topics, including fire safety, electrical precautions, and other common workplace hazards.

Additionally, mental health webinars are organized to highlight the importance of psychological well-being and to provide practical techniques for managing stress and anxiety. Comprehensive EHS training is also delivered to administrative, security, and housekeeping personnel, ensuring their full awareness of safety protocols and industry best practices. Furthermore, employees are provided with First Aid training to enhance preparedness in case of emergencies.

13. Number of Complaints on the following made by employees

	FY - 2025 (Current Financial Year)			FY - 2024 (Previous Financial Year)		
	Filled during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the 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 regulations. Regular audits are conducted, 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:

	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 - 2025 (Current Financial Year)	FY - 2024 (Previous Financial Year)	FY - 2025 (Current Financial Year)	FY - 2024 (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	51%
Working Conditions	51%

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 recognized internal and external stakeholders by assessing their influence and significance to our operations. Engaging with stakeholders is a key focus, and we have identified their priorities through discussions with our management team. Gaining insight into stakeholder expectations helps us align our strategies, policies, and action plans related to environmental, economic, and social aspects. Our primary stakeholders include investors, customers, employees, regulators, vendors/ 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 Project-related meetings, management reviews, relationship meetings	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	Continous	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	No	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 engages proactively with its stakeholders to identify and address key economic, environmental, and social issues. A comprehensive materiality assessment has been conducted to determine the topics most relevant to both the business and its stakeholders. Sonata regularly interacts with stakeholders to communicate its ESG goals, targets, and performance.

   This engagement is facilitated through various channels, including conference calls, emails, the corporate website, and public disclosures. The CSR & Sustainability Board Committee meets quarterly to review and discuss ESG-related matters.

   Additionally, ESG risks are reviewed during meetings of the Board Risk Management Committee to ensure alignment with the Company's strategic priorities.

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 informed by insights gained through active stakeholder engagement. These interactions have been pivotal in recognizing key environmental and social aspects relevant to our operations, enabling us to align our sustainability initiatives with stakeholder expectations and 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 initiatives are primarily directed towards supporting vulnerable and marginalized communities. An effective monitoring and feedback mechanism has been established to assess the progress of these initiatives and address any concerns raised by the beneficiary groups. The CSR Committee conducts regular oversight reviews to ensure the efficient and transparent execution of all CSR programs.

   Additionally, Sonata maintains active engagement with local suppliers and vendors through structured interactions such as online and offline meetings and awareness sessions. Their performance is closely monitored, and necessary feedback and support are provided to promote responsible and sustainable 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 - 2025 Current Financial Year			FY - 2024 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	6414	5857	91%	6043	3466	57%
Other than Permanent	459	444	97%	373	362	97%
Total employees	6873	6301	92%	6416	3828	60%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	164	164	100%	188	188	100%
Total workers	164	164	100%	188	188	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 Current Financial Year					FY 2024 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	4466	0	0	4466	100%	4157	0	0	4157	100%
Female	1948	0	0	1948	100%	1886	0	0	1886	100%
Other than permanent										
Male	318	0	0	318	100%	282	0	0	282	100%
Female	141	0	0	141	100%	91	0	0	91	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	139	0	0	139	100%	164	0	0	164	100%
Female	25	0	0	25	100%	24	0	0	24	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (INR in Lakhs)
Board of Directors (BoD)*	5	42.2*	2	21.8*
Key Managerial Personnel (KMP)	3	317.09	1	78.08
Employees other than BoD and KMP	4463	15.55	1947	10.12
Workers	NA	NA	NA	NA

Note: *During the year, there has been appointment of 2 new Independent Directors and completion of tenure of 2 Independent Directors. Accordingly, the median remuneration has been calculated on the basis of the appointment / end dates.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Gross wages paid to females as % of total wages	23.25%	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 issue

Sonata is committed to respecting the dignity a of individuals and promoting fairness in the organization.

At Sonata, we have a grievance redressal policy where an individual can raise their grievances and this is addressed by the grievance redressal committee constituted at the company level. This policy applies to all employees in the organization. This enables them to raise grievance in written form with factual data and as much speciifc information as possible to enable proper redressal.

We also have a few other mechanisms like POSH Internal Committee. This committee investigates any sexual harassment complaints. The Internal Committee is formed as per law.

6. Number of Complaints on the following made by employees and workers:

	FY 2025 Current Financial Year			FY 2024 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	1	0	NA	0	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 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Received 1 complaint and disposed off within the prescribed timeline.	No complaints received
Complaints on POSH as a % of female employees / workers	less than 1%	NA
Complaints on POSH upheld	NA as it was resolved through conciliation.	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a policy in place and the IC ensures the implementation of the policy to prevent adverse consequences

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 is fully committed to upholding human rights and ensures strict adherence to all applicable legal requirements. Human rights principles are embedded within our contracts and agreements, and we actively monitor and enforce compliance. In addition, we have carried out a comprehensive Human Rights Due Diligence (HRDD) process that thoroughly addresses all relevant human rights issues across all Sonata 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.

NA. We comply with all applicable laws & have internal governance to address the risks associated.

II. LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

As per our Human Rights Policy, we are committed to protecting and upholding all

Human Rights. Any detected breaches of Human Rights will be thoroughly analyzed using our internal procedures, relevant legislation, and existing agreements. This may potentially lead to the implementation of disciplinary measures

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   Sonata has undertaken a Human Rights Due Diligence exercise for its workforce to identify key human rights risks within the organization. This assessment has enabled the Company to prioritize the most critical human rights concerns and formulate appropriate mitigation strategies. The evaluation was carried out using a combination of online and offline surveys, focusing on significant human resource issues relevant to the IT and software sector.

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 implemented appropriate measures to ensure accessibility for differently abled visitors.

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/Involuntary Labour	Please see note under "Others"
Wages	Please see note under "Others"
Others – please specify	51% 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-contractors

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 findings highlighted the need to enhance sustainability and ESG awareness among our local vendors. In response, Sonata initiated dedicated training sessions for its suppliers, focusing on sharing industry best practices and fostering a deeper understanding of ESG principles. These efforts aim to build supplier capacity and promote responsible 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 2025 (Current Financial Year) (in MJ)	FY 2024 (Previous Financial Year) (in MJ)
From renewable sources		
Total electricity consumption (A)	9303665	6870884
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	9303665	6870884
From non-renewable sources		
Total electricity consumption (D)	2530725	6452487
Total fuel consumption (E)	146642	297521
Energy consumption through other sources (F)	0	0
Total energy consumed from nonrenewable sources (D+E+F)	2677 367	6750008
Total energy consumed (A+B+C+D+E+F)	11981032	13620892
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (in MJ/rupees)	0.0001179	0.0001581
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0024369	0.00354237
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	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

No

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 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	4073	3163
(iii) Third party water	3214	4673
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7287	7836
Total volume of water consumption (in kilolitres)	7287	7836
Water intensity per rupee of turnover (Water consumed / turnover)	0.000000072	0.000000090979
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00000148	0.00000204
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	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

No

4. Provide the following details related to water discharged:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	3675	4168
- With treatment – please specify level of treatment. Sent to builder STP for treatment	764.65	1001
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	4440.53	5169

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes we have two offices having zero liquid discharge (Bangalore). The Mechanism is implemented by the landlord.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify units	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
NOx	mg/nm3	NA	487
SOx	mg/nm3	NA	273
Particulate matter (PM)	mg/nm3	NA	879
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 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	81.6	68.4
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equiva-lent	637.3	1995.2
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.00000000708	0.00000002396
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)		0.0000001462	0.00000053669
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emis-sion intensity (optional) – the ele-vant metric may be selected by the entity		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.

Yes, Earthood Services Private Limited has done the assurance for FY 2025.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, Sonata has implemented a comprehensive program focused on the reduction of greenhouse gas (GHG) emissions. As part of our environmental sustainability commitment, we continuously monitor and work towards minimizing our emissions. Key initiatives under this program include:

Operational Optimization: Engineering equipment is regulated during non-operational hours to conserve energy.

Water Efficiency Measures: Installation of low-flow aerators on sensor taps at hand wash basins and low-flow faucets in pantry and cafeteria dishwashing areas.

Air Handling Efficiency: Provision of back dampers for Air Handling Units (AHUs), which automatically close when any AHU is turned off, thereby preventing air leakage.

Cooling Efficiency Enhancements: Implementation of cold aisle containment to improve cooling effectiveness and energy efficiency in data center environments.

Temperature Set-point Adjustments: Office space temperature set-points standardized at 24°C to enhance energy savings.

Diesel Generator Optimization: Adjustment in the frequency of DG A-checks to a fortnightly schedule to reduce fuel consumption and carbon emissions.

Load Management: Elimination of unnecessary electrical loads during weekends, such as deactivating heating elements in vending machines, switching off lighting circuits, and disconnecting manually operated devices.

Renewable Energy Utilization: The electricity requirements of Sonata's Global Village offices in Bengaluru are met through renewable energy sources, reinforcing the organization's commitment to reducing its carbon footprint and promoting sustainable practices.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
	Total Waste generated (in metric tonnes)	
Plastic waste (A)	0.4	0.4
E-waste (B)	0.08	7.8
Bio-medical waste (C)	0.0	0.0
Construction and demolition waste (D)	0.0	0.0
Battery waste (E)	11.31	10.1
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)	29.3 (Paper 13.8, Wet waste: 13.6, Other 1.8)	15.7 (Paper - 0.7, other -4.2, wet waste - 10.8)
Total (A+B + C + D + E + F + G + H)	**41.15**	**33.97**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000000405	0.00000000039
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000083	0.0000000088
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste recovered through recycling, re-using or other 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	NA
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations a. Sent to municipal corporation	NA	NA
(iii) Other disposal operations b. Selling to third parties authorized supplier.	NA	NA
Total	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.

No

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.

Sonata, as an IT service provider, generates most of its waste from asset disposal, diesel generator (DG) operations, and pantry activities. We comply with all relevant regulations for the safe disposal of electronic and hazardous waste. Emphasizing sustainability, we actively promote recycling to limit landfill use. Our Asset Management Policy ensures the proper upkeep of electronic equipment to extend its lifespan and mandates disposal through certified e-waste recyclers. Additionally, we reduce waste generation by choosing refurbished laptops wherever possible.

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 was 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:

(i) Name of the area

NA

(ii) Nature of operations

NA

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (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
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

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
(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 2025 (Current Financial Year)	FY 2024 (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	2168.91	2603.53
Total Scope 3 emissions per rupee of turnover		0.00000002135	0.00000003023
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		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.

Yes, Earthood Services Private Limited has done the assurance for FY 2025

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	Operational Optimization	Engineering equipment is regulated during non-operational hours to con-serve energy.	Energy saving
2	Water Efficiency Measures	Installation of low-flow aerators on taps at hand wash basins and low-flow faucets in pantry and dishwashing areas.	Reduction in water usage
3	Cooling Efficiency Enhancements	Implementation of cold aisle containment to im-prove cooling effective-ness and energy efficien-cy in data centers.	Reduction in energy con-sumption and emissions
4	Renewable Energy Integration	Use of renewable energy in our total energy con-sumption.	Decrease in emissions
5	Bathroom Water Management System	Use of HUIDA system for washrooms in office are-as.	Water consumption is signif-icantly lower than standard commode flush systems
6	Preventive Maintenance Pro-gram	Periodic servicing of UPS and AC plants to ensure optimal performance and avoid energy losses.	Increased operational efficiency
7	Temperature Set-point Ad-just-ments	Standardization of space temperature set-points to 24°C to optimize cooling.	Reduced power consumption and emissions

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes,Sonata has a comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), which have been audited and certified in accordance with ISO 27000 and SOC 2 standards.

- The plan outlines detailed procedures for emergency response, including evacuation protocols, with special provisions for supporting vulnerable employees.
- It designates specific personnel responsible for various tasks and roles during emergency and response operations.
- Coordination with landlord teams and relevant government authorities is integral to the plan to ensure an effective and unified emergency response.
- A thorough risk assessment has been conducted, covering fire hazards, human-induced threats (such as bomb threats, suspicious objects, unauthorized access, and acts of violence), natural disasters (including earthquakes, building collapse, floods, and storms), electrical hazards, LPG leaks, and health-related risks (such as pandemics and epidemics, including COVID-19).
- This assessment includes risk identification, recovery hazard evaluation, risk rating based on a risk assessment matrix, and outlines key preventive and response measures.

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, we have seamlessly integrated supplier evaluation and engagement into our overall supply chain management process. As part of this initiative, all suppliers of products and services are required to complete our Supplier Environment Assessment Form, which evaluates their performance on various sustainability parameters, including greenhouse gas (GHG) emissions and their commitment to environmental initiatives. We conduct quarterly engagements with our suppliers, providing training sessions aimed at raising awareness and enhancing their capabilities in addressing climate-related challenges. Our evaluation process not only prioritizes suppliers who demonstrate strong environmental performance but also acts as a filter against onboarding new vendors with low sustainability scores. This approach fosters greater environmental

accountability across the value chain and encourages our suppliers to implement climate change mitigation measures, thereby aligning with our larger ESG goals.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

51%

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

Sonata is affiliated with two trade and industry chambers namely NASSCOM and CII.

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
NA					

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
Agastya International Foundation	NA	NA	YES	Yes, Mentioned in Annual Report	Yes,Mentioned in Annual Report
Industree	NA	NA	YES	Yes, Mentioned in Annual Report	Yes, Mentioned in Annual Report
Centum Foundation	NA	NA	YES	Yes, Mentioned in Annual Report	Yes, Mentioned in Annual 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

At Sonata, we maintain both formal and informal engagement channels with our stakeholders, recognizing that open dialogue is essential for fulfilling our CSR commitments. Our CSR team remains accessible to NGO partners for ongoing support, ensuring all lines of communication are open. We have established structured dialogues, including weekly meetings with NGO partners, quarterly or semi-annual governance sessions led by the CSR Head with all program partners, and quarterly reviews with the Board and CSR Committee. Additionally, offline community interactions are conducted as needed to ensure responsiveness to local needs.

Sonata actively involves its employees in volunteering opportunities, reinforcing the importance of stakeholder participation in CSR efforts. The Board and leadership are regularly updated on CSR implementation and outcomes, and Sonata's progress is transparently shared with investors, employees, and the public via reports and social media platforms. Sonata's CSR team collaborates closely with NGOs and community members, conducting weekly progress reviews, addressing feedback, and identifying 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

https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/Sonata-Third-Party-Codeof-Conduct-and-Business-Ethics-2016.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Directly sourced from MSMEs/ small producers	FY 2025	FY 2024
Directly sourced from MSMEs/ small producers	12%	5.71%
Sourced directly from within the district and neighboring districts	95%	100%

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 _2025 Current Financial Year	FY _2024_Previous Financial Year
Rural	NA	NA
Semi-urban	NA	NA
Urban	NA	NA
Metropolitan	100%	100%

(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
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.

S. 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:

S. 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, Quant. The details for each are mentioned below				
Projects under Sonata Software Limited ("SSL")				
1	Agastya International Founda-tion	Provided technical support to develop the student Teacher Engagement Plat-form,aimed at helping teachers effectively interact with students in rural regions.	5250+	100%
2	Industree Crafts Foundation	Developing an Online Repository for Arti-sans to store Designs and products for Arti-sans. Extension project. participant profiles linked to a form, facilitating batch-wise pro-files and matrices. Access to content including pre-reads, session recordings, and post-reads, presented in formats such as PDFs, PowerPoint presentations, and videos. Tracking participation and engagement is crucial, along with documenting feedback forms post-sessions.	200	100%
3	Functional Vocational Traning And Research Society(FVTRS)	To provide technical assistance in the de-velopment of a FVTRS website with the ob-jective of establishing a digital footprint, while automating and streamlining daily op-erational processes such as asset and inventory management.	7000	100%
4	Arvind Eye Hospital	To enhance access to quality eye care for underserved populations and children with Cerebral Visual Impairment (CVI) through innovative digital solutions and inclusive healthcare delivery.	80,000	100%
5	Support projects	Application support for website develop-ment projects		
Projects under Sonata Information Technology Limited ("SITL")				
1	MAP (Museum of Art and Photography)	Creating a Supportive Ecosystem for Wom-en's Diversity and Inclusion in india through the visible and invisible Initiative.	64,210	100%
2	Second Chance Sanctuary	To build additional kennels and enclosures for better care of abandoned and abused dogs.	60+	100%
3	IISC IIM	To promote scientific research in software engineering & responsible A.I, education outreach programs. To support the devel-opment of research and education infra-structure and start up's in A.I	170	100%

S. No.	CSR Project		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
4	SKSVMA	To provide scholarships for economically weaker girls to pursue technical education at SKSVM college of Engineering & Technolo-gy, Lakshmeshwar.	16	100%
5	Deccan Heritage Foundation	To restore the historic Rang Mahal Pavilion and gardens, enhancing the heritage and academic environment at the university col-lege for Women, with a focus on supporting women's education.	6500+	100%
6	Olympic Gold Quest (OGQ)	Aims to assist athletes preparing for the Paris Olympics and Paralympics by funding training, tournaments, sports science ser-vices, medical support, coaching, stipends, equipment, athlete management, and per-formance monitoring.	750	100%
7	Centum Foundation	To empower underserved and underprivi-leged youth-especially women-through em-ployability training in IT, focusing on data analytics and industry-aligned skills, sup-ported by Sonata under its CSR initiative.	250	100%
8	FVTRS	Digital skill training & placement support for underprivileged youth	250	100%
Projects under Sonata Software Solutions Limited ("SSSL")				
1	Bangalore Little Theatre	Project is focusing on Developing a Web portal life skills training using theatre tech-niques. It offers resources like workshops and videos, helping educators deliver en-gaging and creative learning experiences.	2500	100%
2	Agastya Foundation	Agatya STEP Project Enhancement module: Create a student interface to view quiz re-sults and performance metrics.	7500+	100%
3	Industree	To provide technical assistance for the development and enhancement in Industree Seller and Channel App	200	100%
4	Support Project	Application Support Project		
Project under Encore I.T. Services Solutions Private Limited ("Encore")				
1	AHCT	To support underprivileged girls through Project Putri and Nipuni Career Pathing by providing financial aid, STEM education, and career training at Dindigul Urban School.	185	100%
Project under Quant Cloud Solutions Private Limited ("Quant")				
1	SayTree Environment Trust	Tree plantation saplings under Urban plantation Falaknama Palace, Hyderabad	1240 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 positive feedback, opportunities 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 2025 (Current Financial Year)		Remarks	FY 2024 (Previous Financial 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		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

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,

   https://www.sonata-software.com/privacy-policy

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**

      One instance - Gapbuster Worldwide Pty Ltd, a Sonata entity, reported a data leak during the second quarter of 2024 (April-June).

      Brief details of the Incident: Gapbuster Worldwide Pty Ltd, also known as Sonata GBW ("GBW"), had faced a breach of its mystery shopper's information (Name, email, phone number) stored on the platform of a third-party service provider named Nectar Desk. GBW had previously engaged Nectar Desk to record and store calls and SMS conversations with Mystery Shoppers through their platform. On inquiry by GBW, Nectar Desk stated that they changed their storage policies, by moving some filed to their S3 bucket, due to which they became "public" instead of "private" exposing GBW's data. Nectar did this, post GBW ending the contract with Nectar

   b. **Percentage of data breaches involving personally identifiable information of customers**

      No customer personally identifiable information was leaked in the breach.

   c. **Impact, if any, of the data breaches**

      There is no impact. Following GBW's notification to all pertinent parties and regulatory bodies, the US and Canadian authorities have confirmed that no action is necessary on Sonata's part.

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/sonata-software/

   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 out.

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 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.**


ANNUAL FINANCIAL REPORT

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 2025, 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 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 23 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 theCompany'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.

Revenue recognition - Fixed Price contracts where revenue is recognized using percentage of completion method	
See Note 2.2 (l) and 23 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
• 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. • We observed that the estimates of efforts to complete were reviewed and approved by appropriate levels of management. • We performed tests on whether actual efforts have been recorded in the correct period, by testing the underlying evidences for statistically selected samples. • 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 2025, 01 April 2025, 08 April 2025 and 10 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 24 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 28 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 43 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 43 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.

As stated in Note 38 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 sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the primary accounting software used for maintaining books of accounts, we are unable to comment whether the audit trail feature and its preservation as per the statutory requirements of the record retention for the said software was enabled and operated throughout the year at database layer for all relevant transactions recorded in such software.

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

In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the software relating to recording of time by the Company's resources as part of the 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 database layer for all relevant transactions recorded in such software.

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

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

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

In our opinion and according to the information and explanations given to us the 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:25065155BMLBXQ3591

Place: Mumbai
Date: 07 May 2025

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

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

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

(B) The Company does not hold any intangible assets, thus reporting under clause 3(i) (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) 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 except as follows:

(₹ in Lakhs)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ sta tement subsequ ently rectified
December	Standard Chartered Bank, HDFC Bank, ICICI Bank, Kotak Bank, Citi Bank, Axis Bank	Book debts	58,402	58,917	515	Yes

(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 during the year in respect of which the requisite information is as below. The Company has not made any investments or provided any guarantee or 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 to Sonata Information Technology Limited and Encore IT Services Solutions Private Limited, its subsidiaries. The aggregate amount during the year is Rs. 3,303 lakhs and balance outstanding as at balance sheet date is nil.

(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 explanation given to us and on the basis of our examination of the records the Company, during the year the company has granted loans to Sonata Information Technology Limited and Encore IT Services Solutions Private Limited, its subsidiaries amounting to Rs 3,303 lakhs, which were repayable on demand. The principal and interest were repaid on demand during the year, without any defaults. Further, the Company has not given any advance in the nature of loan to any other party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (“the Act”):.

(Amt in Lakhs)

	Related Parties
Aggregate of loans/advances in nature of loan – Repayable on demand (A)	3,303
Percentage of loans/advances in nature of loan to the total loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ('"the Act"). In respect of loan given by the Company, in our opinion the provisions of Section 185 of the Act are not applicable and the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, 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 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax and Service Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	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 Act tax, 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

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Goods Services Act, 2017 and Tax	Excess claim of ITC	17	Financial Year 2019-20	Joint Commissioner of GST (Appeal), Hyderabad
Goods and Services Act, 2017	Excess claim of ITC	14	Financial Year 2020-21	Deputy Commissioner of GST, Hyderabad

* net of amount paid under protest of Rs 100 lakhs

** net of amount paid under protest of Rs 14 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. 3,694 lakhs which is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given by us and basis of our examination of the records of the Company, such loans and interest thereon have been entirely repaid during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the 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:25065155BMLBXQ3591

Place: Mumbai
Date: 07 May 2025

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

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 as of 31 March 2025 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 2025, 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:25065155BMLBXQ3591

Place: Mumbai
Date: 07 May 2025

Standalone Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,006	2,953
Right-of-use assets	40	2,252	3,077
Goodwill		282	282
Financial assets	4		
Investments	4.1	6,225	6,263
Other financial assets	4.2	643	1,483
Deferred tax assets (net)	16B	1,338	1,061
Income tax assets (net)	16A	7,279	10,815
Other non-current assets	5	74	104
Total non-current assets		**20,099**	**26,038**
Current assets			
Inventories	6	2	-
Financial assets	7		
Investments	7.1	1,608	119
Trade receivables	7.2	66,471	52,019
Cash and cash equivalents	7.3	2,439	1,973
Bank balances other than above	7.4	5,943	6,764
Other financial assets	7.5	1,647	1,824
Other current assets	8	4,240	6,545
Total current assets		**82,350**	**69,244**
Total assets		**102,449**	**95,282**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	2,776	2,775
Other equity	10	77,554	67,893
Total equity		**80,330**	**70,668**
LIABILITIES			
Non-current liabilities			
Financial liabilities	11		
Lease liabilities	11.1	1,971	2,295
Other financial liabilities	11.2	2,589	1,540
Total non-current liabilities		**4,560**	**3,835**
Current liabilities			
Financial liabilities	12		
Borrowings	12.1	-	4
Lease liabilities	12.2	517	1,101
Trade payables	12.3		
Total outstanding dues of micro enterprises and small enterprises		83	86
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,432	8,529
Other financial liabilities	12.4	6,104	3,298
Other current liabilities	13	1,816	4,410
Provisions	14	1,864	1,360
Current tax liabilities (net)	15	743	1,991
Total current liabilities		**17,559**	**20,779**
Total equity and liabilities		**102,449**	**95,282**
Summary of material accounting policies	**2**		

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Standalone Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	17.1	99,131	95,030
Other income	17.2	18,392	33,404
Total income		**117,523**	**128,434**
EXPENSES			
Purchase of stock-in-trade (traded goods)	18.1	213	7,539
Changes in inventories of stock-in-trade	18.2	(2)	-
Employee benefits expense	19	77,550	67,024
Finance costs	20	469	492
Depreciation and amortization expense	21	2,129	2,113
Other expenses	22	13,687	13,289
Total expenses		**94,046**	**90,457**
Profit before tax		**23,477**	**37,977**
Tax expense			
Current tax	16A	2,337	1,984
Deferred tax	16A & 16B	(237)	113
Net tax expense		**2,100**	**2,097**
Profit for the year		**21,377**	**35,880**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		(44)	408
(b) Income tax relating to items that will not be reclassified to profit/(loss)	16A & 16B	11	(103)
		(33)	**305**
2. Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge		(115)	305
(b) Income tax relating to Items that will be reclassified to profit/(loss)	16A & 16B	29	(76)
		(86)	**229**
Total other comprehensive income for the year, net of tax		**(119)**	**534**
Total comprehensive income for the year		**21,258**	**36,414**
Earnings per share - (on ₹ 1 per share)			
Basic (in ₹)	36	7.70	12.93
Diluted (in ₹)	36	7.69	12.91
Summary of material accounting policies	2		

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

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VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Standalone Statement of Cash flows

₹ in Lakhs

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	23,477	37,977
Adjustments for :		
Depreciation and amortization expense	2,129	2,113
Finance costs	469	492
Impairment (gain)/loss recognised on trade receivable	265	224
Provisions/ liabilities no longer required written back	(1)	(171)
Interest income	(584)	(823)
Dividend income from long-term investments in subsidiaries	(15,800)	(30,185)
(Gain) / loss on sale of fixed assets / scrapped	32	13
Net (gain) on investments carried at fair value through profit and loss	(195)	(159)
Gain on termination of lease	(1)	(436)
Commission on guarantees	(341)	-
Expenses/(gain) on employee stock based compensation	285	383
Net unrealized foreign exchange (gain)/loss	(387)	(602)
Operating profit before working capital changes	**9,348**	**8,826**
Changes in operating assets and liabilities:		
Increase in trade receivables	(14,375)	(21,254)
Increase in Inventories	(2)	-
Decrease/(increase) in other financial assets-current	173	(1,526)
Decrease in other financial assets non-current	837	159
Decrease in other non-current assets	29	23
Decrease/(increase) in other current assets	2,299	(1,740)
Increase in other financial liabilities non-current	905	804
Decrease in trade payables	(2,036)	(1,992)
Increase in other financial liabilities	2,698	1,619
(Decrease)/increase in other current liabilities	(2,638)	1,248
Increase in provisions	503	94
Net cash used in operations	**(2,259)**	**(13,739)**
Income taxes paid (net of refunds)	126	(5,316)
Net cash used in operating activities (A)	**(2,133)**	**(19,055)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress	(576)	(1,799)
Proceeds from disposal of property, plant and equipment	145	10
Investment in subsidiary	-	(89)
Purchase of current investments	(67,961)	(64,785)
Proceeds from sale of current investments	66,603	66,966
Proceeds from sale of bonds	43	-
Proceeds from sub-lease assets	18	-

Standalone Statement of Cash flows

₹ in Lakhs

		For the year ended March 31, 2025	For the year ended March 31, 2024
Investment in bank deposits		709	7,844
Interest received		566	988
Commission on guarantees		341	-
Dividend received from subsidiary		15,800	30,185
Inter corporate loans given		(3,303)	(14,570)
Inter corporate loans recovered		3,303	14,570
Net cash flow from investing activities	**(B)**	**15,688**	**39,320**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(repayment) from/(of) short-term borrowings (net)		(4)	(58)
Payment of lease liabilities		(1,161)	(1,574)
Payment of dividend		(12,258)	(21,891)
Proceeds from issue of shares on exercise of ESOP		346	362
Interest paid		(41)	(44)
Net cash used in financing activities	**(C)**	**(13,118)**	**(23,205)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**437**	**(2,940)**
Opening cash and cash equivalents		1,973	4,931
Exchange difference on translation of foreign currency cash and cash equivalents		29	(18)
Closing cash and cash equivalents		**2,439**	**1,973**
Cash and cash equivalents at the end of the year comprises: (Refer note 7.3)			
Balances with banks			
In current accounts		2,234	665
In EEFC accounts		205	207
In demand deposit accounts		-	1,101
		2,439	**1,973**
Refer note 40 for non-cash changes in lease liabilities arising from financing activities			
Summary of material accounting policies refer note	**2**		

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

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, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Standalone statement of changes in equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 9)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**2,775**	**1,387**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,775	1,387
Changes in equity share capital during the year		
Shares issued on bonus issue	-	1,387
Shares issued on exercise of employee stock options	1	1
Balance at the end of the year	**2,776**	**2,775**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus					Effective portion of cash flow hedges	Foreign currency translation reserve	Total other equity
	Securities premium reserve	General reserve	ESOP reserve	Retained earnings	Remeasurement of the defined benefit plans			
Balance as at April 1, 2023	**4,151**	**8,292**	**944**	**43,065**	**(1,975)**	**(518)**	**14**	**53,973**
Profit for the year				35,880				35,880
Other comprehensive income (net of tax)					305	229	-	534
Total comprehensive income for the year	**-**	**-**	**-**	**35,880**	**305**	**229**	**-**	**36,414**
Transactions with owners of the Company								
Contributions and distributions								
Employee stock compensation expense			383					383
Amount utilized for bonus issue	(1,387)							(1,387)
Premium received on issue of shares on exercise of options	362							362
Payment of cash dividends				(21,852)				(21,852)
Balance as at March 31, 2024	**3,126**	**8,292**	**1,327**	**57,093**	**(1,670)**	**(289)**	**14**	**67,893**
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**

Refer note 10 for the nature and purpose of reserves

Summary of material accounting policies refer note 2

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

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

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, 2025.

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 is included in the following notes:

i) Impairment testing

Investments in goodwill are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

ii) Depreciation and amortisation

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

iii) Revenue recognition

Refer note 2.2(I)(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 preparation of standalone financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.

The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

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 subsidiaries is measured at cost less impairment as per Ind AS 27. 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 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**
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 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). The accumulated gains or losses on such investments are not recycled to the statement of profit and loss even on sale of such investment.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in statement of profit 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 administers the contributions made to the Trust. The fund's investments are managed by certain insurance Companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to statement of profit 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 increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

a) Time and materials contracts

Revenues from contracts priced on a time and material basis are recognised as the related services are performed and related costs are incurred. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

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

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. Fixed Price Development contracts and related services, the performance obligation are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

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

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

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.

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

Contract assets and contract liabilities

Contract 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.

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

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 income / expense in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the statement of profit and loss in the same line item as allowance for expected credit loss.

Credit impaired financial assets:

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

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

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

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

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset 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 or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

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

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, 2023	**115**	**423**	**160**	**235**	**4,025**	**161**	**5,119**
Additions	-	49	-	38	1,553	155	**1,795**
Disposal / write off	-	(17)	(27)	(7)	(145)	-	**(196)**
Translation adjustments	-	1	-	1	3	-	**5**
As at March 31, 2024	**115**	**456**	**133**	**267**	**5,436**	**316**	**6,723**
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**
Accumulated depreciation							
As at April 1, 2023	**16**	**348**	**119**	**173**	**2,059**	**139**	**2,854**
Depreciation charge during the year	2	14	19	11	1,012	25	**1,083**
Depreciation on disposal / write off	-	(16)	(17)	(5)	(135)	-	**(173)**
Translation adjustments	-	1	-	-	5	-	**6**
As at March 31, 2024	**18**	**347**	**121**	**179**	**2,941**	**164**	**3,770**
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**
Net carrying value							
As at March 31, 2025	**95**	**101**	**-**	**62**	**1,654**	**94**	**2,006**
As at March 31, 2024	**97**	**109**	**12**	**88**	**2,495**	**152**	**2,953**

Non-current
4. Financial assets
4.1 Investments

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2024 - 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, 2024 - 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, 2024 - 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, 2024 - 800 Equity shares of 1 Pound each (fully paid))		
98 Equity shares in Sonata Software (Qatar) LLC of 1,000 QAR each (fully paid)	12	12
(As at March 31, 2024 - 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, 2024 - 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, 2024 - 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, 2024 - 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, 2024 - 500,000 Equity shares of 1 RM each (fully paid))		
Investment in preference shares (Unquoted)		
2,459,560 - 2% non-cumulative convertible redeemable preference	2,500	2,500
shares of 1 Pound each in Sonata Europe Limited, UK (fully paid)		
(As at March 31, 2024 - 2,459,560 shares of 1 Pound each (fully paid))		
Investments carried at amortised cost:		
Investments in PSU Bonds (Quoted)	-	38
Total	**6,225**	**6,263**
Aggregate book value of quoted investments	-	38
Aggregate market value of quoted investments	-	38
Aggregate carrying amount of unquoted investments	6,225	6,225
Aggregate amount of impairment in value of investments	-	-
Investments carried at cost	6,225	6,225
Investments carried at amortised cost	-	38

4.2 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Net investment in sub-lease of ROU asset (Refer note 40)	136	141
Security deposits	505	1,251
Balance held as margin money or security against guarantees	2	-
Other assets	-	91
Total	**643**	**1,483**

5 . Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Other deposits	14	14
Prepaid expenses	42	74
Balances with government authorities		
Receivable from GST authority	2	-
Other recoverables	16	16
Total	**74**	**104**

Current

6. Inventories

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Stock-in-trade - Hardware/Software products and licenses	2	-
Total	**2**	**-**

7. Financial assets

7.1 Investments

Particulars	As at March 31, 2025		As at March 31, 2024	
	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		-

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of units	₹ in Lakhs	No. of units	₹ in Lakhs
Investments carried at amortised cost:				
Investments in PSU Bonds (Non-traded, quoted)				
Investments in PSU Bonds		54		119
Total		**1,608**		**119**
Aggregate book value of quoted investments		1,608		119
Aggregate market value of quoted investments		1,608		119
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		119

7.2 Trade receivables (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured *		
Billed		
Considered good	65,743	51,238
Less : Allowance for credit losses	296	1,177
	65,447	**50,061**
Trade receivables - credit impaired	127	205
Less : Allowance for credit losses	127	205
	-	-
Unbilled	1,024	1,958
Total	**66,471**	**52,019**

* 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 39. For the amounts receivable from Related parties refer note 39.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 29.

Trade receivable ageing schedule

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments							Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	38,660	26,445	577	55	-	6	65,743
Undisputed Trade receivables - credit impaired	-	-	-	10	80	10	27	127
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(174)	(113)	(13)	(80)	(10)	(33)	(423)
Unbilled	1,024	-	-	-	-	-	-	1,024
Total	**1,024**	**38,486**	**26,332**	**574**	**55**	**-**	**-**	**66,471**
As at March 31, 2024								
Undisputed trade receivables - considered good	-	33,665	16,459	856	250	-	8	51,238
Undisputed Trade receivables - credit impaired	-	-	-	73	97	35	-	205
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(773)	(378)	(93)	(103)	(35)	-	(1,382)
Unbilled	1,958	-	-	-	-	-	-	1,958
Total	**1,958**	**32,892**	**16,081**	**836**	**244**	**-**	**8**	**52,019**

7.3 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current accounts	2,234	665
In EEFC accounts	205	207
In deposit accounts with original maturity of less than 3months*	-	1,101
Total	**2,439**	**1,973**

* 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, 2025	As at March 31, 2024
Bank deposits with original maturity of more than three months but less than 12 months	5,564	6,332
In earmarked accounts		
Balance held as margin money for issue of guarantees by bank *	-	21
Unpaid dividend account**	379	411
Total	**5,943**	**6,764**

* Held as margin money by bank against bank guarantees.

** Is solely used for the purposes of making payment towards dividend.

7.5 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Reimbursement of expenses recoverable from related party (Refer note 39)	636	298
Security deposits	789	109
Compensation right asset (Refer note 29)	-	888
Fair value of forward contracts (Refer note 27 & 28)	88	92
Other assets	134	437
Total	**1,647**	**1,824**

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

8. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Advances to employees	165	121
Prepaid expenses	728	4,439
Contract assets (Refer note 23)	2,577	1,519
Balances with government authorities		
VAT credit receivable	4	18
GST credit receivable	196	199
Other recoverables	570	249
Total	**4,240**	**6,545**

9. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
500,000,000 equity shares of face value ₹ 1/- each	**5,000**	**5,000**
(As at March 31, 2024 : 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, 2024 - 280,424,816 equity shares of face value ₹ 1/- each)		
Subscribed and paid-up		
277,656,476 equity shares of face value ₹ 1/- each fully paid-up*	2,776	2,775
(As at March 31, 2024 - 277,552,476 equity shares of face value ₹ 1/- each)*		
Out of issued capital, 2,768,340 (As at March 31, 2024 - 2,872,340) shares are held by Sonata Software Limited Employee Welfare Trust		
2,768,340 equity shares (treasury) held by trust of face value ₹ 1/- each	28	29
(As at March 31, 2024 - 2,872,340 equity shares (treasury) of face value ₹ 1/- each)		

*The outstanding equity shares as at March 31, 2025 and March 31, 2024 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 reporting year

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	**277,552,476**	**2,775**	**138,704,906**	**1,387**
Add: Share issued on exercise of employee stock options before bonus issue (Refer note 32)	-	-	78,332	1
Add: Share issued on exercise of employee stock options after bonus issue (Refer note 32)	104,000	1	-	-
Add: Bonus shares issued	-	-	138,769,238	1,387
Number of shares outstanding at the end of the year	**277,656,476**	**2,776**	**277,552,476**	**2,775**
Add: Number of treasury shares held by Sonata Software Limited Employee Welfare Trust (Shares issued for consideration other than cash)	2,768,340	28	2,872,340	29
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, 2025		As at March 31, 2024	
	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)	23,078,174	8.23%	21,496,779	7.67%

iv) Details of shares held by each promoter

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%	-

For the year ended March 31, 2024	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	11,000,000	11,000,000	22,000,000	7.85%	100.00%
Viren Rajan Raheja	11,000,000	11,000,000	22,000,000	7.85%	100.00%
Suman R Raheja	9,200,000	9,200,000	18,400,000	6.56%	100.00%
Rajan B Raheja	6,383,266	6,383,266	12,766,532	4.55%	100.00%
Globus Stores Private Limited #	1,914,665	1,914,665	3,829,330	1.37%	100.00%

* Due to issuance of bonus shares in December 2023 in the ratio of 1:1

During the year, Excelsior Construction Company Private Limited, Fantasia Enterprises Private Limited, Siena Traders Private Limited are merged with Globus Stores Private Limited.

v) Treasury shares

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
2,768,340 equity shares (treasury) held by trust of face value ₹ 1/- each		
(As at March 31, 2024 : 2,872,340 equity shares (treasury) of face value ₹ 1/- each)	28	29

(vi) Equity shares movement during the 5 years preceding March 31, 2025

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, 2025, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for fiscal 2024. (During the year ended March 31, 2024, the Company has incurred a net cash outflow ₹ 12,139 lakhs towards final dividend for fiscal 2023 and ₹ 9,713 lakhs towards interim dividend for fiscal 2024.)

10. Other equity

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium reserve		
Opening balance	3,126	4,151
Premium received on issue of shares on exercise of options	345	362
Less: Amount utilized for bonus issue	-	1,387
Closing balance	**3,471**	**3,126**
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		
Employee Stock option reserve		
Opening balance	1,327	944
Add: Employee share based payments (Refer note 32)	285	383
Closing balance	**1,612**	**1,327**
This represents value of equity-settled share based payment transaction with employees.		
Retained earnings		
Opening balance	57,093	43,065
Profit for the year	21,377	35,880
Less :		
Dividend paid	(12,227)	(21,852)
Closing balance	**66,243**	**57,093**
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	(1,670)	(1,975)
For the year, (net of tax)	(33)	305
Closing balance	**(1,703)**	**(1,670)**
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	(289)	(518)
Exchange differences on cash flow hedges (net of tax)	(86)	229
Closing balance	**(375)**	**(289)**
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 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	**77,554**	**67,893**

11. Non-current financial liabilities

11.1 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 40)	1,971	2,295
Total	**1,971**	**2,295**

11.2 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Other liabilities	2,589	1,540
Total	**2,589**	**1,540**

Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 29.

12. Current financial liabilities

12.1 Borrowings

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
From banks - Secured		
Bank overdrafts*	-	4
Total	**-**	**4**

* Information about the terms of borrowings facility are included in note 29

12.2 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 40)	517	1,101
Total	**517**	**1,101**

12.3 Trade payables

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 26)	83	86
Total outstanding dues of creditors other than micro enterprises and small enterprises *	6,432	8,529
Total	**6,515**	**8,615**

* 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.

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

Trade payables ageing schedule:

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments						Total
	Accrued expenses	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	-	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**
As at March 31, 2024							
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	-	53	33	-	-	-	86
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,583	1,694	1,062	671	74	445	8,529
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**4,583**	**1,747**	**1,095**	**671**	**74**	**445**	**8,615**

12.4 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unpaid dividends	379	410
Payable on acquisition of property, plant and equipment	29	45
Employee benefits payable	4,583	-
Other liabilities	2	3
Reimbursable expenses payable to related party (Refer note 39)	766	2,650
Fair value of forward contracts (Refer note 27 & 28)	345	190
Total	**6,104**	**3,298**

Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 29.

13. Other current liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (Refer note 23)	-	2,853
Gratuity payable (net) (Refer note 31)	-	103
Other payables		
Statutory remittances	1,623	1,302
Advances from customers	95	60
Other liabilities	98	92
Total	**1,816**	**4,410**

14. Provisions

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits - compensated absences (Refer note 31)	1,469	1,360
Provision for Gratuity (Refer note 31)	395	-
Total	**1,864**	**1,360**

15. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax ₹ 4,596 (for March 31, 2024 ₹ 12,623))	743	1,991
Total	**743**	**1,991**

16A. Income taxes

The income tax asset is ₹ 7,279 Lakhs (net of provision for tax of ₹ 34,928 Lakhs) as at March 31, 2025 and ₹ 10,815 Lakhs (net of provision for tax of ₹ 38,197 Lakhs) as at March 31, 2024.

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	2,337	1,984
Deferred Tax:		
In respect of current year	(237)	113
Total Income tax expense recognised in the standalone statement of profit and loss	**2,100**	**2,097**

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(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	(11)	103
On net movement on effective portion of cash flow hedges	(29)	76
Total	**(40)**	**179**

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:

₹ in Lakhs

Profit before tax	23,477	37,977
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	5,909	9,558
Effect of		
Income exempt from tax	(3,976)	(7,597)
Expenses that are not deductible in determining taxable profit	79	188
Items that are deductible in determining taxable profit	-	(114)
Effect relating to prior years	23	-
Others	65	62
Income tax expense recognised in the standalone statement of profit and loss	**2,100**	**2,097**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 and March 31, 2024 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.

16B. Deferred taxes

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	(30)	130	-	100
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	484	102	-	586
Total	**1,061**	**237**	**40**	**1,338**

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

₹ in Lakhs

Particulars	As at April 1, 2023	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	As at March 31, 2024
Property, plant and equipment	417	(177)	-	240
Allowances for credit losses	116	14	-	130
Right of use assets	(197)	167	-	(30)
Net gain or loss on fair value of mutual funds	-	8	-	8
Defined benefit plans (Items that will not be reclassified to profit/(loss))	207	-	(103)	104
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))	249	-	(76)	173
Others, including employee and other payables	609	(125)	-	484
Total	**1,353**	**(113)**	**(179)**	**1,061**

Deferred tax assets has not been recognised on accumulated long term capital loss of ₹ 962 as at March 31, 2025 and ₹ 1,067 as at March 31, 2024 respectively as it is not probable 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, 2025		As at March 31, 2024	
	Unabsorbed loss	Deferred tax	Unabsorbed loss	Deferred tax
Unused tax losses (long term capital loss) which expire in:				
-AY 2024-25	-	-	105	12
-AY 2025-26	962	138	962	110
Total	**962**	**138**	**1,067**	**122**

17.1 Revenue from operations (Refer note 23)

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from software services	98,146	87,283
Revenue from software product and licenses	236	7,739
Other operating revenues	749	8
Total	**99,131**	**95,030**

17.2 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income*	409	823
Interest on Income-tax refund	175	-
Dividend income from long-term investments in subsidiaries (Refer note 39)	15,800	30,185
Net gain on investments carried at fair value through profit or loss	195	159
Net gain/(loss) on derivatives carried at fair value through profit or loss	(400)	765
Net gain/(loss) on foreign currency transactions and translations	1,415	261
Other non-operating income		
Liabilities/provisions no longer required written back	1	171
Commission (includes transaction with Related party - Refer note 39)	341	341
Gain on termination of lease	1	436
Miscellaneous income	455	263
Total	**18,392**	**33,404**
***Interest income Comprises of:**		
Interest on bank balances and bank deposits	387	751
Interest on sub lease ROU asset (Refer note 40)	13	25
Interest on financial assets carried at amortised cost	4	37
Interest on financial assets carried at fair value through profit or loss	5	10

18.1 Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of stock-in-trade (traded goods)	213	7,539
Total	**213**	**7,539**

18.2 Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Stock		
Stock-in-trade - Hardware/Software product and licenses	-	-
	-	-
Closing Stock		
Stock-in-trade - hardware/software product and licenses	2	-
	2	-
(Increase) / decrease in inventories	**(2)**	**-**

19. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	71,869	61,793
Contributions to provident and other funds (Refer note 31)	4,746	4,292
Employee stock compensation expense (Refer note 32)	285	383
Staff welfare expenses	650	556
Total	**77,550**	**67,024**

20. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	8	32
Lease rentals discounted (Refer note 40)	284	372
Others	144	76
Other borrowing costs	33	12
Total	**469**	**492**

21. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	1,334	1,083
Depreciation of right on use assets (Refer note 40)	795	1,030
Total	**2,129**	**2,113**

22. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	308	354
Rent (includes transactions with related parties - Refer note 39 & 40)	755	531
Repairs and maintenance - Buildings	15	-
Repairs and maintenance - Machinery	84	147
Insurance	1,284	1,183
Rates and taxes	131	98
Communication cost	507	578
Facility maintenance	352	386
Travelling and conveyance expenses	1,190	1,305
Professional and technical fees	1,478	923
Software project fees	888	415
Legal fees	74	143
Recruitment	635	689
Insourcing professional fees	2,111	3,259
Software license fees	2,215	1,607
Expenditure on corporate social responsibility (Refer note 35)	282	323
Payments to auditors (Refer note below)	210	146
Net loss on fixed assets sold / scrapped	32	13
Impairment loss/(gain) recognised on trade receivable	265	224
Miscellaneous expenses	871	965
Total	**13,687**	**13,289**
Note: Payment to auditors comprises (net of input tax credit):		
Statutory audit	182	93
Other services	14	45
Reimbursement of expenses	14	8
	210	**146**

23. Revenue from operations

Disaggregate revenue information

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	India	Other than India	Total	India	Other than India	Total
Revenue from software services (over the period)						
Time and material	7,379	66,552	73,931	5,481	66,879	72,360
Fixed price	2,955	22,009	24,964	3,229	11,702	14,931
Revenue from software product and licenses at a point in time	-	236	236	-	7,739	7,739
Total	**10,334**	**88,797**	**99,131**	**8,710**	**86,320**	**95,030**

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, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**1,519**	**2,144**
Amount accrued during the year	3,575	2,986
Deduction on account of revenues billed during the year	(2,517)	(3,611)
Balance as at end of the year	**2,577**	**1,519**

Contract liabilities

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**2,853**	**1,172**
Additional amounts billed but not recognized as revenue	372	6,491
Deduction on account of revenues recognised during the year	(3,317)	(4,816)
Translation exchange differences	92	6
Balance as at end of the year	-	**2,853**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2025, other than those meeting the exclusion criteria mentioned above, is ₹ 5,188 lakhs (As at March 31, 2024 is ₹ 131 Lakhs). The Company expects to recognize ₹ 3,176 lakhs as revenue within the next one year (As at March 31, 2024 is ₹ 131 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.

24. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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 USD 40,000,000 and ₹ 50,000,000 respectively.	34,685	33,860
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	7,142

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, 2024 - ₹ 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, 2024 ₹ 2,572 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.

25. Commitments

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for.	121	72

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. This information as required under Micro, small and medium enterprises development Act, 2006 [MSMED] has been determined to the extent such parties have been identified on the basis of information available with the Company are as below:

₹in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	83	86
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

27. Financial instruments

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

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total Carrying value
Investment in preference shares (Unquoted)	4.1	-	-	2,500	2,500
Investment in mutual fund (Quoted)	7.1	1,554	-	-	1,554
Investment in PSU Bonds	7.1	-	-	54	54
Security deposits	4.2 & 7.5	-	-	1,294	1,294
Trade receivable	7.2	-	-	66,471	66,471
Cash and cash equivalents	7.3	-	-	2,439	2,439
Other balances with banks	7.4	-	-	5,943	5,943
Other financial assets	4.2 & 7.5	-	-	908	908
Forward contracts	7.5	20	68	-	88
Total		**1,574**	**68**	**79,609**	**81,251**

₹ 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	12.3	-	-	6,515	6,515
Lease liabilities	11.1 & 12.2	-	-	2,488	2,488
Other financial liabilities	11.2 & 12.4	-	-	8,348	8,348
Forward contracts	12.4	58	287	-	345
Total		**58**	**287**	**17,351**	**17,696**

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

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehen-sive income	Amortised cost	Total Carrying value
Investment in preference shares (Unquoted)	4.1	-	-	2,500	2,500
Security deposits	4.2 & 7.5	-	-	1,360	1,360
Trade receivable	7.2	-	-	52,019	52,019
Cash and cash equivalents	7.3	-	-	1,973	1,973
Other balances with banks	7.4	-	-	6,764	6,764
Investment in PSU Bonds	7.1	-	-	157	157
Other financial assets	4.2 & 7.5	-	-	1,855	1,855
Forward contracts	7.5	71	21	-	92
Total		**71**	**21**	**66,628**	**66,720**
Financial liabilities					
Borrowings	12.1	-	-	4	4
Trade payables	12.3	-	-	8,615	8,615
Lease liabilities	11.1 & 12.2	-	-	3,396	3,396
Other financial liabilities	11.2 & 12.4	-	-	4,648	4,648
Forward contracts	12.4	66	124	-	190
Total		**66**	**124**	**16,663**	**16,853**

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

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

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

1. The fair value of the quoted mutual funds are based on price quotations at reporting date. The fair value of other financial liabilities and other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.

2. The fair values of the unquoted equity and preference shares have been estimated using a discounted cash flow model. The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the

various estimates whose range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted equity investments.

3. The Company enters into derivative financial instruments with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of banks, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

28. Fair value hierarchy

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

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

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

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

(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, 2025	As at March 31, 2024	
Investment in mutual funds - Refer note 7.1	1,554	-	Level 1
Investments in PSU bonds - Refer note 4.1 & 7.1	54	157	Level 2
Foreign currency forward contracts (assets) - Refer note 7.5	88	92	Level 2
Foreign currency forward contracts (liabilities) - Refer note 12.4	345	190	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, 2025	For the year ended March 31, 2024
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(115)	305
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, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	(289)	(518)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	(115)	305
Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	-	-
Deferred tax liability	29	(76)
Cash flow hedging reserve (net of tax)	(375)	(289)

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

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
In USD	445	659	38,177	55,677
in GBP	45	68	5,041	7,126
in EUR	18	43	1,662	3,922
in AUD	11	20	621	1,108
in SGD	21	-	1,381	-

The foreign exchange forward contracts mature anywhere between 0-1.5 year. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
Less than 3 months				
In USD	100	76	8,533	6,378
in GBP	15	39	1,662	4,100
in EUR	10	17	922	1,569
in AUD	4	13	219	693
in SGD	21	-	1,381	-

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
More than 3 months				
In USD	345	583	29,644	49,299
in GBP	30	29	3,379	3,026
in EUR	8	26	740	2,353
in AUD	7	7	402	415

Average rate of coverage:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (in lakhs)	Weighted Average Rate(₹)	Amount (in lakhs)	Weighted Average Rate (₹)
USD	445	85.85	659	84.47
GBP	45	112.02	68	104.33
EUR	18	94.90	43	92.27
AUD	11	56.49	20	55.40
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, 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
EUR	922	92.15	244	97.41	496	99
AUD	419	55.91	202	57.72	-	-
SGD	1,381	64.64	-	-	-	-
As at March 31, 2024						
USD	18,346	83.70	15,826	84.29	21,505	85.27
GBP	6,595	104.18	531	106.22	-	-
EUR	2,115	91.95	1,807	92.66	-	-
AUD	971	55.51	137	54.69	-	-

29. Financial risk management

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

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

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

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk 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, 2025 is considered adequate.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customers having more than 10% of total revenue	63,656	57,401
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, 2025		For the year ended March 31, 2024	
	India	Other than India	India	Other than India
Trade receivables	2,130	63,740	4,434	47,009
Allowance for credit loss	10	413	205	1,177
% of credit loss to trade receivables	0.47%	0.65%	4.62%	2.50%

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, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	1,382	463
Allowance for expected credit loss (net)*	(623)	1,112
Bad debts written off during the year	(337)	(198)
Foreign exchange differences	1	5
Balance at the end of the year	**423**	**1,382**

* 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 (As at March 31, 2024: The Company has adjusted compensation right asset amounting to₹ 888 Lakhs against the allowance for expected credit loss. The Company has disclosed the remaining amount of ₹ 224 Lakhs as allowance for expected credit loss) in note 22 (Refer note 2.2(r) for the accounting policy on compensation right assets).

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

Investments

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

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. In addition, the Company has concluded arrangements with well reputed banks and also plans to negotiate additional facilities for funding as and when required. The Company manages liquidity risk by maintaining adequate reserves, banking facilities 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 6.93% to 10.69%. Company has availed working capital loans of ₹ 3,694 lakhs and the same have been repaid during the year. The outstanding balance as on March 31, 2025 is Nil and March 31, 2024 is ₹ 4 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, 2025	As at March 31, 2024
Cash and cash equivalents	2,439	1,973
Other balances with banks	5,943	6,764
Investments in mutual funds (quoted)	1,554	-
Investments in PSU Bonds (Quoted)	54	119
Trade receivables	66,471	52,019
Other current financial assets	1,559	1,732
Other current assets	4,240	6,545
Derivative financial instruments - cash flow hedge	88	92

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

₹ 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	-	-

₹ in Lakhs

Particulars	As at March 31, 2024		
	Less than 1 year	1-2 years	2 years & above
Borrowings	4	-	-
Trade payables	8,615	-	-
Other financial liabilities	3,108	-	1,540
Lease liabilities	1,163	540	3,139
Derivative financial instruments - cash flow hedge	190	-	-

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, 2025				For the year ending March 31, 2025		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	46,882	88	345	Fair value of forward contracts under other financial assets and other financial liabilities.	(115)	(400)	Other income

₹ in Lakhs

Particulars	As at March 31, 2024				For the year ending March 31, 2024		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	67,833	92	190	Fair value of forward contracts under other financial assets and other financial liabilities.	305	765	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 ₹ 444 lakhs increase and decrease in the Company's net profit as at March 31, 2025

b) an approximately ₹ 680 lakhs increase and decrease in the Company's net profit as at March 31, 2024

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

Exposure currency:

₹ in Lakhs

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**

₹ in Lakhs

As at March 31, 2024	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	40,639	3,454	3,874	143
Cash and cash equivalents	1,035	39	67	4
Other assets	330	53	1,536	36
Liabilities				
Trade payables	7,684	1,463	289	471
Net assets/liabilities	**34,320**	**2,083**	**5,188**	**(287)**

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

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

₹ in Lakhs

Currencies	March 31, 2025	March 31, 2024
USD	484	343
GBP	97	21
EUR	48	52
Other currencies	7	(3)
Total	**636**	**413**

Interest rate risk

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

30. Capital management

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

The capital structure of the company consists of the following:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	80,330	70,668
As percentage of total capital	97%	95%
Lease liabilities	2,488	3,396
Current borrowings	-	4
Total borrowings and lease liabilities	**2,488**	**3,400**
As a percentage of total capital	3%	5%
Total capital (borrowings and equity)	**82,818**	**74,068**

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

31. Employee benefit plans

i) 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 ₹ 1,367 lakhs (for the year ended March 31, 2024 ₹ 1,368 lakhs) has been charged to the standalone 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	As at March 31, 2025	As at March 31, 2024
Superannuation (as part of contribution to provident fund and other funds in Note 19 Employee benefits expense)	1,995	1,802
National pension scheme (as part of contribution to provident fund and other funds in Note 19 Employee benefits expense)	171	129
National insurance contribution (as part of contribution to provident fund and other funds in Note 19 Employee benefits expense)	331	246
Other contribution (as part of contribution to provident fund and other funds in Note 19 Employee benefits expense)	36	4

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.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.80%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
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	4.09 years	6 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, 2025	As at March 31, 2024
Service cost:		
Current service cost	838	697
Net interest expense	8	46
Components of defined benefit costs recognised in standalone statement of profit and loss	846	743

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(148)	(559)
Actuarial (gains) / losses arising from changes in financial assumptions	207	104
Actuarial (gains) / losses arising from experience adjustments	(15)	44
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	44	(411)

The current service cost and the net interest expense for the year are included in Note 19 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, 2025	As at March 31, 2024
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(8,872)	(7,790)
Fair value of plan assets	8,477	7,687
Net (liability) / assets arising from defined benefit obligation	**(395)**	**(103)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	7,790	6,872
Current service cost	838	697
Interest cost	570	513
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	207	104
Actuarial gains and losses arising from experience adjustments	(15)	44
Actuarial (gains) / losses arising from Demographic adjustments	-	-
Benefits paid	(812)	(440)
Others	294	-
Closing defined benefit obligation	**8,872**	**7,790**
Movements in the fair value of the plan assets are as follows		
Opening fair value of plan assets	7,687	6,265
Interest income	562	467
Return on plan assets (excluding amounts included in net interest expense)	148	559
Contributions from the employer to Gratuity Fund	614	836
Benefits paid	(812)	(440)
Others	278	-
Closing fair value of plan assets	**8,477**	**7,687**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Insurer managed funds	100%	100%
Category of funds :		
Secure fund	0.00%	0.00%
Defensive fund	54.95%	56.41%
Balanced fund	45.00%	43.54%
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, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(501)	560	(399)	446
Future salary growth (1% movement)	609	(553)	451	(411)
Employee turnover rate (1% movement)	31	(36)	44	(50)

The Company expects to contribute ₹ 1,473 lakhs to its defined benefit plans during the next fiscal year.

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

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

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

Experience adjustments:

₹ in Lakhs

Particulars	As at				
	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	8,872	7,790	6,872	6,258	5,291
Fair value of plan assets	8,477	7,687	6,265	5,680	4,376
Surplus / (deficit)	(395)	(103)	(607)	(578)	(915)
Experience adjustments on plan liabilities - (gain)/losses	(15)	44	561	1,240	309
Experience adjustments on plan assets - (losses)/gain	148	559	(178)	135	640

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	1,360	1,171
1-2 years	971	845
2-3 years	939	812
3-4 years	908	854
4-5 years	1,031	768
5 years and Above	9,313	8,229

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

iii) Other employee benefits - Compensated absences

As per valuation

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.80%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2%	2%

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, 2025	As at March 31, 2024
Current liability	1,469	1,360
Present value of compensated absences	**1,469**	**1,360**

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(35)	(35)	(41)	47
Future salary growth (1% movement)	37	(34)	47	(43)
Withdrawal rate (1% movement)	(40)	43	(47)	52

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	94	134
1-2 years	79	100
2-3 years	74	89
3-4 years	64	78
4-5 years	58	71
5 years and above	242	303

32. 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, 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	

The following share-based payment arrangements were in existence during the year ended March 31, 2024

Number of Shares	Grant date	Vesting date	Exercise price (₹)*	Fair value of the stock options at grant date (₹)	Contractual terms
8,000	May 31, 2019	May 30, 2023	132.94	51.66	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Company.
53,332	May 29, 2020	May 28, 2023	77.27	23.49	
106,664	May 2, 2022	May 1, 2026	282.05	82.14 - 101.15	
1,066,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
93,331	Apr 29, 2022	Apr 28, 2026	281.13	84.97 - 104.1	
100,331	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
70,000	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	

* Adjusted for issuance of bonus shares in December 2023 in the ratio of 1:1

(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, 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

For the year ended March 31, 2024

Grant date	May 31, 2019	May 29, 2020	Apr 8, 2022	Apr 29, 2022	May 2, 2022	May 19, 2022	May 25, 2022	April 3, 2023
Grant date share price (₹)*	178.35	101.45	299.98	282.04	278.38	252.21	241.43	429.50
Exercise price (₹)*	177.25	77.27	294.55	281.13	282.05	250.66	247.07	418.15
Expected volatility (%)	53-26	40	40	40	40	40	40	40
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.50	2.00	2.00	2.00	2.00	2.00	4.50
Risk-free interest rate (%)	6.71 - 7.03	4.76-5.26	6.00 - 6.67	6.32 - 6.89	6.29 - 6.85	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32

* Adjusted for issuance of bonus shares in December 2023 in the ratio of 1:1

(iii) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	F.Y. 2024-25		F.Y. 2023-24	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	1,419,994	295.83	821,326	543.88
Granted during the year *	125,000	217.34	836,996	-
Exercised during the year	104,000	332.95	78,332	463.29
Cancelled during the year	-	-	159,996	-
Balance at end of year	**1,440,994**	**292.95**	**1,419,994**	**295.83**
Exercisable at the end of the year	569,330	272.13	319,998	258.33

* Includes bonus issue in the ratio of 1:1. no of options 756,996 in previous year.

(iv) Stock options exercised during the year

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 8, 2022	44,000	Mar 28, 2025 to Mar 29, 2025	351.68

The following share options were exercised during the financial year 2023-24:

Granted on	Number exercised	Exercise date	Share price at exercise date (₹)
May 05, 2019 to May 19, 2022	78,332	June 02, 2023 to January 31, 2024	478.10 to 768

(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 ₹ 320.85 (as at March 31, 2024 ₹295.83).

During the year, the amount recognised as expense for employee stock options is ₹ 285 Lakhs (for the year ended March 31, 2024 is ₹ 455 Lakhs). Reversal of ESOP expenditure is Nil (for the year ended March 31, 2024 is ₹ 72 lakhs).

33. 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.

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, 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.

(During the year ended March 31, 2024, 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 ₹ 2,652 lakhs, investments ₹ 22 lakhs, other assets ₹ 49 lakhs and other liabilities ₹ 3 lakhs, equity₹ 2,720 lakhs).

35. 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 during the year is ₹ 282 lakhs (Previous year is ₹ 369 lakhs).

(ii) Amount spent during the year is ₹ 282 lakhs (Previous year is ₹ 323 lakhs).

₹ in Lakhs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	282	-	282	323	-	323
Total	**282**	**-**	**282**	**323**	**-**	**323**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	(1)	(47)
Add: Amount required to be spent during the year	282	369
Less: Amount Spent during the year	(282)	(323)
Closing balance (short / (excess) spent)	**(1)**	**(1)**

36. 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, 2025		For the year ended March 31, 2024	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax attributable to equity shareholders (₹ in lakhs) (a)	21,377	21,377	35,880	35,880
Weighted average number of equity shares outstanding during the period (Nos)	280,371,161	280,371,161	280,370,595	280,370,595
Weighted average number of potential equity shares exercised by Sonata Software Limited Employee Welfare Trust (Nos)	(2,768,340)	(2,768,340)	(2,872,340)	(2,872,340)
Weighted average number of equity shares resulting from assumed exercise of employee stock options (Nos)	-	285,737	-	473,163
Weighted average number of equity shares for calculation of earning per share (Nos) (b)	277,602,821	277,888,558	277,498,255	277,971,418
Basic earning per share (a/b)	7.70	-	12.93	-
Diluted earning per share (a/b)	-	7.69	-	12.91

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

38. **Distributions made and proposed (Refer note 9 & 10):**

The Board of Directors at its meeting held on May 07, 2025 have recommended a final dividend of 440% (₹ 4.40 per equity share of par value ₹ 1 each), which is subject to approval of shareholders.

The Board of Directors at their meeting held on October 25, 2023 had declared an interim dividend of 700% (₹ 7 per equity share of par value of ₹ 1 each). Further, the Board of Directors at its meeting held on May 07, 2024 have recommended a final dividend of 440 % (₹ 4.40 per equity share of par value ₹1 each).

39. 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.[1]
(b) Subsidiary	Sonata Software (Qatar) LLC
	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.[2]
	Sonata Software Canada Limited
	Sonata Latin America S. DE R.L. DE C.V.
	Sonata Software LLC,US (formerly known as Sopris Systems LLC)[2]
	Quant Systems Inc.
	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)	Health & Glow Private Limited
	Outlook Publishing (India) Pvt Ltd
(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
	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, KMP, KMPE	
	March 31, 2025	March 31, 2024
Rendering of services		
Sonata Software North America Inc.	49,798	43,489
Sonata Europe Limited	8,069	8,328
Gapbuster Worldwide Pty Limited	102	-
Sonata Australia Pty Ltd.	2,323	1,078
Sonata Software Canada Limited	180	342
Quant Systems Inc.	134	41
Sonata Software Intercontinental Limited	422	675
Sonata Information Technology Limited	58	-
Health & Glow Private Limited	-	131
Sale of Product		
Sonata Software North America Inc.	-	11
Purchase of Software products, licenses & project fees		
Sonata Information Technology Limited	4,201	10,273
Sonata Software GmbH	732	249
Sonata Software Malaysia SDN. BHD.	37	58
Sonata Australia Pty Ltd.	120	108
Reimbursement of expenses received		
Sonata Information Technology Limited	208	199
Sonata Software North America Inc.	63	71
Sonata Software GmbH	14	2
Sonata Software Solutions Limited	10	38
Sonata Australia Pty Ltd	4	24
Sonata Europe Limited	1,870	1,057
Sonata Software (Qatar) LLC	-	4
Sonata Software Malaysia SDN. BHD.	17	27
Sonata Software LLC,US (formerly known as Sopris Systems LLC)	-	4
Quant Cloud Solutions Private Limited	181	-
Encore IT Services Solutions Private Limited	199	-
Sonata Software Intercontinental Limited	1	-
Reimbursement of expenses paid		
Sonata Software North America Inc.	192	663
Sonata Europe Limited	1,382	310
Sonata Software Worldwide Malaysia SDN. BHD.	1	15

₹ in Lakhs

Particulars	WOS, Subsidiary, KMP, KMPE	
	March 31, 2025	March 31, 2024
Gapbuster Worldwide Pty Limited	86	16
Sonata Information Technology Limited	-	11
Sonata Australia Pty Ltd	100	2
Encore IT Services Solutions Private Limited	8	-
Sonata Software Solutions Limited	-	11
Quant Cloud Solutions Private Limited	60	-
Sale of property, plant and equipment		
Sonata Software Solutions Limited	16	-
Inter corporate deposits given		
Sonata Information Technology Limited	3,250	14,570
Encore IT Services Solutions Private Limited	53	-
Inter corporate deposits recovered		
Sonata Information Technology Limited	3,250	14,570
Encore IT Services Solutions Private Limited	53	-
Interest income on inter corporate deposits		
Sonata Information Technology Limited	4	38
Recovery of rent		
Sonata Information Technology Limited	52	107
Dividend received		
Sonata Software Solutions Limited	2,300	8,800
Sonata Australia Pty Ltd	-	1,785
Sonata Information Technology Limited	13,000	18,500
Encore IT Services Solutions Private Limited	500	1,100
Commission received on guarantees given on behalf of subsidiary		
Sonata Information Technology Limited	343	337
Compensation of key management personnel of the Company		
Short-term employee benefits[3]	1,482	1,892
Other long term employee benefits	896	694
Share-based payment transactions	170	304
Others	363	320
Total compensation paid to key management personnel	**2,911**	**3,210**

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2025	March 31, 2024
Balances outstanding at the end of the year		
Trade receivables		
Sonata Software North America Inc.	49,593	36,703
Sonata Europe Limited	4,518	3,896
Sonata Australia Pty Ltd	556	-
Sonata Software Solutions Limited	25	-
Sonata Software Intercontinental Limited	622	932
Sonata Software Canada Limited	13	212
Quant Systems Inc.	178	41
Gapbuster Worldwide Pty Limited	6	-
Health & Glow Private Limited	-	22
Sonata Information Technology Limited	51	-
Reimbursement of expenses receivable		
Sonata Information Technology Limited	177	157
Sonata Software North America Inc.	140	65
Sonata software GMBH	14	2
Sonata Australia Pty Ltd	-	3
Sonata Software Malaysia SDN. BHD.	-	27
Sonata Software Solutions Limited	10	35
Sonata Software Intercontinental Ltd	-	9
Encore IT Services Solutions Private Limited	31	-
Quant Cloud Solutions Private Limited	182	-
Sonata Europe Limited	82	-
Trade payables		
Sonata Information Technology Limited	3,100	4,057
Sonata Australia Pty Ltd	534	413
Sonata software GMBH	330	203
Sonata Software LLC,US (formerly known as Sopris Systems LLC)	-	2
Sonata Software Malaysia SDN. BHD.	-	58
Sonata Software North America Inc.	-	104
Reimbursement of expenses payable		
Sonata Software North America Inc.	24	699
Sonata Information Technology Limited	25	24
Sonata Europe Limited	616	1,884
Sonata Australia Pty Ltd	93	6
Sonata Software LLC,US (formerly known as Sopris Systems LLC)	-	1

₹ in Lakhs

Particulars	WOS, Subsidiary, KMPE	
	March 31, 2025	March 31, 2024
Gapbuster Worldwide Pty Limited	8	16
Sonata Software Worldwide Malaysia SDN. BHD.	-	15
Sonata Software Solutions Limited	-	5
Advance to suppliers		
Outlook Publishing (India) Pvt Ltd	24	-
Guarantees given on behalf of Subsidiary		
Sonata Information Technology Limited [4]	34,685	33,860
Payable to key management personnel of the Company		
Short-term employee benefits[3]	693	1,836
Other long term employee benefits	2,388	1,447
Share-based payment transactions	976	846
Others	363	320

1 Sonata Software Malaysia SDN. BHD. has been incorporated in Malaysia with effect from June 13, 2023.

2 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.

3 The above employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

4 The movement between previous year and current year balance is due to change in foreign exchange rates.

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
1) Sonata Information Technology Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	2,100	10,370
2) Encore IT Services Solutions Private Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	53	-

Terms and conditions of transactions with related parties:

1. 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.
2. Inter corporate deposits are unsecured, repayable on demand in cash and interest rate ranges between 8.5%-9.9%. Inter corporate loans represent amounts lent to the subsidiary for meeting working capital requirements.
3. Commission on corporate guarantee is charged at 1%. Corporate guarantee has been issued to a supplier of Sonata Information Technology Limited (SITL) to comply with the contractual obligations in the ordinary course of business. The guarantee would come into effect only upon failure of SITL to pay the amounts outstanding to such supplier.
4. The balance outstanding above are unsecured and would be settled in cash.

40. 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, 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**

₹ in Lakhs

Particulars	Category of ROU asset		
	Land	Buildings	Total
Balance as at April 1, 2023	**190**	**2,868**	**3,058**
Additions	-	2,442	2,442
Deletions	-	(1,393)	(1,393)
Depreciation	(13)	(1,017)	(1,030)
Balance as at March 31, 2024	**177**	**2,900**	**3,077**

The following is the movement in lease liabilities

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	**3,396**	**4,051**
Non-cash changes		
Additions	-	2,531
Finance cost accrued during the year	284	372
Deletions	(31)	(1,984)
Cash changes		
Payment of lease liabilities	(1,161)	(1,574)
Balance at the end of the year	**2,488**	**3,396**

Incremental borrowing rate used for discounting of lease liabilities is 9.20% to 10.81% based on the lease term.

The Lease term is 10 years.

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	517	1,101
Non-current lease liabilities	1,971	2,295
Total	**2,488**	**3,396**

The following is the movement in the net investment in sublease in ROU asset:

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	141	209
Addition	-	143
Deletion	-	(165)
Interest income accrued during the year	13	25
Lease receipts	(18)	(71)
Balance at the end of the year	**136**	**141**

Contractual maturities of lease liabilities

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	536	1,163
Later than one year and not later than 5 years	1,446	1,606
Later than 5 years	1,653	2,073
Total	**3,635**	**4,842**

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, 2025	As at March 31, 2024
Not later than one year	19	18
Later than one year and not later than 5 years	87	82
Later than 5 years	99	123
Total	**205**	**223**

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, 2025	For the year ended March 31, 2024
Interest income on sub lease ROU asset	13	25
Total	**13**	**25**
Finance cost on lease liabilities during the year	284	372
Depreciation on ROU assets	795	1,030
Rent expense pertaining to short- term leases	755	531
Total	**1,834**	**1,933**

41. 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 except:

- for the quarter ended December, 2024, variance of ₹ 515 Lakhs in book debts.

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 June, 2023, variance of ₹320 Lakhs in book debts.
- for the quarter ended September, 2023, variance of ₹1,212 Lakhs in book debts.
- for the quarter ended December, 2023, variance of ₹ 1,194 Lakhs in sundry creditors.

The variances are primarily attributable to re-classifications. The Company has subsequently filed rectified statements.

42. The table below provides financial ratios :

Ratio/Measure	Methodology	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance
Current ratio[1]	Current assets over current liabilities	4.69	3.33	40.74%
Debt-equity ratio[2]	Debt over total shareholders equity	0.03	0.05	(35.63%)
Debt service coverage ratio	EBITDA over current debt	26.45	25.41	4.07%
Return on equity ratio[3]	PAT over total average equity	0.28	0.57	(50.27%)
Trade receivable turnover ratio	Revenue from operations over trade receivables	1.67	1.83	(8.41%)
Trade payable turnover ratio	Adjusted expenses over trade payables	12.09	10.20	18.54%
Net capital turnover ratio	Revenue from operations over working capital	1.64	1.92	(14.70%)
Net profit ratio[4]	Net profit over revenue	0.22	0.38	(42.89%)
Return on capital employed[5]	EBIT over capital employed	0.29	0.51	(43.17%)
Return on investment	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average investments.	1.20	1.55	(22.40%)

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 increased on account of increase in investments and trade receivables during the financial year 2024-25.
[2] Debt-equity ratio has reduced on account of payment of lease liabilities during the financial year 2024-25.
[3] Return on equity ratio decreased on account of decrease in profit after tax for the year ended March 31, 2025.
[4] Net profit ratio has reduced on account of decrease in profit after tax for the year ended March 31, 2025.
[5] Return on capital employed has reduced on account of decrease in EBIT for the year ended March 31, 2025.

43. 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 2025.

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

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 2025, 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 2025, 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 5 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 2025 carries goodwill amounting to ₹ 113,970 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 included the following: • Assessed the appropriateness of Group's revenue recognition, accounting policies, and assessed compliance with 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 units (including goodwill) is compared with the recoverable amount of the cash generating units. 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 units, 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 Group's identification of Cash Generating Units (CGU's), the carrying value of each CGU and the appropriateness of methodology followed by management for the impairment assessment and whether that is in compliance with the applicable accounting standards. • Evaluated the basis of key assumptions included in the cash flow forecasts used in computing recoverable amount of each CGU, such as growth rate, profitability, discount rate etc. with reference to our understanding of their business and historical trends. • 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 26 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; • 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. • We observed that the estimates of efforts to complete were reviewed and approved by appropriate levels of management. • We performed tests on whether actual efforts have been recorded in the correct period, by testing the underlying evidences for statistically selected samples. • 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.1,138 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 4,706 lakhs and net cash outflow (before consolidation adjustments) amounting to Rs. 150 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), whose financial financial information reflects total assets (before consolidation adjustments) of Rs. 6,582 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 17,586 lakhs and net cash inflow (before consolidation adjustments) amounting to Rs. 10,162 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 the 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 2025, 01 April 2025, 08 April 2025 and 10 April 2025 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 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the 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 2025 on the consolidated financial position of the Group. Refer Note 27 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 30 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 2025.

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 45 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 45 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, 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 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 company incorporated in India during the year and until the date of this audit report is in accordance with Section 123 of the Act.

As stated in Note 43 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 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, and that performed by the auditor of the subsidiary company, which is a 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) facility and the same has operated throughout the year for all relevant transactions recorded in respective softwares:

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

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

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

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

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

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

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration payable 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 payable 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:25065155BMLBXR1734

Place: Mumbai
Date: 07 May 2025

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

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

(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:25065155BMLBXR1734

Place: Mumbai
Date: 07 May 2025

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

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 2025, 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 subsidiary company, 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 2025, 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 insofar 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:25065155BMLBXR1734

Place: Mumbai
Date: 07 May 2025

Consolidated Balance Sheet

₹ in Lakhs

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,003	5,176
Right-of-use assets	39	6,358	8,097
Goodwill	5	113,970	111,346
Other intangible assets	6	36,017	42,481
Intangible asset under development	6	2,601	-
Financial assets	7		
Investments	7.1	348	1,299
Other financial assets	7.2	2,532	3,823
Deferred tax assets (net)	19B	8,553	8,844
Income tax assets (net)	19A	24,976	25,941
Other non-current assets	8	2,987	348
Total non-current assets		**202,345**	**207,355**
Current assets			
Inventories	9	4,724	9,800
Financial assets	10		
Investments	10.1	24,509	23,208
Trade receivables	10.2	174,093	160,508
Cash and cash equivalents	10.3	30,998	53,602
Bank balances other than above	10.4	13,945	32,895
Other financial assets	10.5	4,385	5,459
Other current assets	11	20,516	22,085
Total current assets		**273,170**	**307,557**
Total assets		**475,515**	**514,912**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	2,776	2,775
Other equity	13	167,818	137,854
Total equity		**170,594**	**140,629**
LIABILITIES			
Non-current liabilities			
Financial liabilities	14		
Borrowings	14.1	22,790	43,101
Lease liabilities	14.2	5,569	6,700
Other financial liabilities	14.3	3,184	2,757
Deferred tax liabilities (net)	19B	9,927	12,397
Total non-current liabilities		**41,470**	**64,955**
Current liabilities			
Financial liabilities	15		
Borrowings	15.1	21,366	24,329
Lease liabilities	15.2	1,877	2,416
Trade payables	15.3		
Total outstanding dues of micro enterprises and small enterprises		139	305
Total outstanding dues of creditors other than micro enterprises and small enterprises		155,562	141,290
Other financial liabilities	15.4	53,329	100,159
Other current liabilities	16	13,632	24,111
Provisions	17	4,278	3,698
Current tax liabilities (net)	18	13,268	13,020
Total current liabilities		**263,451**	**309,328**
Total equity and liabilities		**475,515**	**514,912**

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Consolidated Statement of Profit and Loss

₹ in Lakhs

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE			
Revenue from operations	20.1	1,015,725	861,306
Other income	20.2	7,115	12,555
Total income		**1,022,840**	**873,861**
EXPENSES			
Purchase of stock-in-trade (traded goods)	21.1	703,106	588,887
Changes in inventories of stock-in-trade	21.2	5,076	(6,918)
Employee benefits expense	22	159,767	133,456
Finance costs	23	6,525	8,501
Depreciation and amortization expense	24	12,149	13,193
Other expenses	25	78,851	73,138
Total expenses		**965,474**	**810,257**
Profit before exceptional item and tax		**57,366**	**63,604**
Exceptional item			
Changes in fair value of contingent consideration payable	40	-	17,466
Profit before tax		**57,366**	**46,138**
Tax expense			
Current tax	19A	17,285	19,234
Deferred tax	19B	(2,386)	(3,946)
Net tax expense		**14,899**	**15,288**
Profit for the year		**42,467**	**30,850**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		(56)	256
(b) Equity instruments through other comprehensive income		(938)	-
(c) Income tax relating to items that will not be reclassified to profit/(loss)	19A & 19B	14	(65)
		(980)	**191**
2. Items that will be reclassified to profit/(loss)			
(a) Exchange differences on translating the financial statements of foreign operations		488	171
(b) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge		(389)	669
(c) Income tax relating to Items that will be reclassified to profit/(loss)	19A & 19B	(25)	(211)
		74	**629**
Total other comprehensive income for the year, net of tax		**(906)**	**820**
Total comprehensive income for the year		**41,561**	**31,670**
Profit for the year attributable to:			
Owners of the Company		42,467	30,850
Non - controlling interest		-	-
		42,467	**30,850**
Other Comprehensive Income for the year attributable to:			
Owners of the Company		(906)	820
Non - controlling interest		-	-
		(906)	**820**
Total comprehensive income for the year attributable to:			
Owners of the Company		41,561	31,670
Non-controlling interest		-	-
		41,561	**31,670**
Earnings per share - (on ₹ 1 per share)			
Basic (₹)	42	15.30	11.12
Diluted (₹)	42	15.28	11.10

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

As per our report of even date attached

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

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Consolidated statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**57,366**	**46,138**
Adjustments for :		
Depreciation and amortization expense	12,149	13,193
Changes in fair value of contingent consideration	-	17,466
Finance costs	6,525	8,501
Impairment (gain)/loss recognised on trade receivable	1,478	2,347
Provisions/ liabilities no longer required written back	(125)	(5,450)
Interest Income	(3,320)	(3,423)
Net (gain) / loss on sale of property, plant and equipment / scrapped	39	41
Net (gain) on investments carried at fair value through profit and loss	(1,961)	(1,276)
Gain on termination of lease	(3)	(492)
Expenses on employee stock based compensation	285	383
Net unrealized foreign exchange (gain) / loss	(1,946)	(2,206)
Operating profit before working capital changes	**70,487**	**75,222**
Changes in operating assets and liabilities:		
Increase in trade receivables	(15,077)	(38,789)
Decrease/(Increase) in inventories	5,076	(6,918)
Decrease/(increase) in other financial assets non-current	719	(160)
Decrease/(increase) in other financial assets current	1,285	(4,651)
Decrease/(increase) in other non-current assets	(233)	2
Decrease/(increase) in other current assets	1,573	(4,629)
Increase in trade payables	14,427	17,675
Increase in other financial liabilities non-current	1,463	2,083
Increase in other financial liabilities	11,024	-
(Decrease)/increase in other current liabilities	(10,093)	13,853
Increase in provisions	137	592
Net cash flow from operations	**80,788**	**54,280**
Income taxes paid (net of refunds)	(16,355)	(26,226)
Net cash flow from operating activities (A)	**64,433**	**28,054**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including intangible assets, capital-work-in progress and Intangible asset under development	(6,852)	(2,539)
Proceeds from disposal of property, plant and equipment	75	2,547
Purchase of current investments	(705,019)	(572,319)
Proceeds from sale of current investments	701,292	571,075
Proceeds from sale of bonds	4,338	-
Payment in relation to business acquisition	(59,194)	(7,264)
Investment in bank deposits	19,675	(255)
Interest received	2,125	3,324
Net cash used in investing activities (B)	**(43,560)**	**(5,431)**

Consolidated statement of Cash Flows

₹ in Lakhs

	For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(2,927)	(3,337)
Proceeds from short-term borrowings	1,694	9,756
Repayment of short-term borrowings	(6,575)	(7,900)
Repayment of term loan	(19,766)	(46,780)
Proceeds from long-term borrowings	-	62,183
Payment of dividend	(12,258)	(21,891)
Proceeds from issue of shares on exercise of ESOP	346	362
Interest paid	(3,844)	(3,243)
Net cash used in financing activities (C)	**(43,330)**	**(10,850)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(22,457)**	**11,773**
Opening cash and cash equivalents	53,602	41,740
Exchange difference on translation of foreign currency cash and cash equivalents	(147)	89
Closing cash and cash equivalents	**30,998**	**53,602**
Cash and cash equivalents at the end of the year comprises: (refer note 10.3)		
Cash on hand	1	1
Balances with banks		
In Current accounts	18,939	15,439
In EEFC accounts	2,540	1,072
In deposit accounts	9,518	37,090
	30,998	**53,602**

Refer note 39 for changes in lease liabilities arising from financing activities and for non-cash financing activities

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Consolidated statement of changes in equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 12)	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**2,775**	**1,387**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,775	1,387
Changes in equity share capital during the year		
Shares issued on bonus issue	-	1,387
Shares issued on exercise of employee stock options	1	1
Balance at the end of the year	**2,776**	**2,775**

(b) Other equity

₹ in Lakhs

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve	Equity attributable to owners of the Company
	Securities premium Reserve	Capital Redemption Reserve	General reserve	ESOP Reserve	Retained Earnings	Remeasurement of the defined benefit plan				
Balance as at April 1, 2023	**4,151**	**2,787**	**8,742**	**944**	**113,220**	**(2,115)**	**-**	**(591)**	**1,540**	**128,678**
Profit for the year					30,850					30,850
Other comprehensive income, (net of tax)						191	-	501	128	820
Total comprehensive income for the year					**30,850**	**191**	**-**	**501**	**128**	**31,670**
Transactions with owners of the Company										
Contributions and distributions										
Premium received on issue of shares on exercise of options	362									362
Employee stock compensation expense				383						383
Amount utilized for bonus issue	(1,387)									(1,387)
Payment of cash dividends					(21,852)					(21,852)
Balance as at March 31, 2024	**3,126**	**2,787**	**8,742**	**1,327**	**122,218**	**(1,924)**	**-**	**(90)**	**1,668**	**137,854**
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 year					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**

Refer note 13 for the nature and purpose of reserves

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

As per our report of even date attached
For B S R & Co. LLP

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

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
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Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

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

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 FZ-LLC (Closed w.e.f. May 19, 2023), 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., Quant Systems Inc., 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 7, 2025.

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 CONSOLIDATED 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 is 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

Investments in goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

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 Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.3 (h)

viii) Leases

The Group uses significant judgement in assessing the lease term whether it is reasonably certain to exercise extension options. The Group assesses whether it is reasonable certain to exercise the options if there is a significant event or significant changes in circumstances within the control. The policy for the same has been explained under note 2.3(i).

ix) Other estimates

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

The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

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 is as under:

Name of the Entity	Country of Incorporation	% of ownership held as on March 31, 2025	% of ownership held as on March 31, 2024
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%
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%

Name of the Entity	Country of Incorporation	% of ownership held as on March 31, 2025	% of ownership held as on March 31, 2024
Quant Systems Inc.	USA	100%	100%
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. (Refer note ii below)	Malaysia	100%	100%
Sonata Software Solutions (Refer note iv below)	Egypt	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.

ii) Sonata Software Malaysia SDN. BHD. is incorporated in Malaysia with effect from June 13, 2023.

iii) 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

iv) Sonata Software Solutions is incorporated in Egypt with effect from May 12, 2024

v) 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

vi) 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

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 equipments 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 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 cash flows 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. The accumulated gains or losses on such investments are not recycled to the consolidated statement of profit and loss even on sale of such investment.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividends are recognised as income in 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 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 increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

The obligations of compensated absences are presented as current liabilities in the balance sheet of the 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 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 method for recognizing revenues and costs depends on the nature of the services rendered.

a) Time and materials contracts

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

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

If the 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.

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.

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. The performance obligation on fixed price development contracts is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

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

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of services and future performance obligations.

c) Hardware/software products and licenses

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. Group recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Group

recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Unsold licenses are classified as inventory.

d) Maintenance contracts

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

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.

Contract assets and contract liabilities

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

Contract liabilities (unearned revenues) represents billing in excess of revenue recognized.

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

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 / 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 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. 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 the consolidated statement of profit or loss.

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").

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.

Business combinations through common control transactions are accounted using pooling of interests method.

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 Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

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

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, 2023	**115**	**815**	**1,235**	**802**	**4,928**	**162**	**8,057**
Additions	-	88	52	80	2,182	155	2,557
Disposal / write off	-	(37)	(27)	(64)	(238)	-	(366)
Translation adjustments	-	1	4	4	49	-	58
As at March 31, 2024	**115**	**867**	**1,264**	**822**	**6,921**	**317**	**10,306**
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**
Accumulated Depreciation							
As at April 1, 2023	**16**	**506**	**373**	**469**	**1,754**	**139**	**3,257**
Depreciation for the year	2	134	310	76	1,603	25	2,150
Depreciation on disposal / write off	-	(33)	(17)	(57)	(204)	-	(311)
Translation adjustments	-	1	4	4	25	-	34
As at March 31, 2024	**18**	**608**	**670**	**492**	**3,178**	**164**	**5,130**
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**
Net carrying value							
As at March 31, 2025	**95**	**184**	**500**	**276**	**2,852**	**96**	**4,003**
As at March 31, 2024	**97**	**258**	**595**	**330**	**3,743**	**153**	**5,176**

Refer note 14.1 for details of charge created on the property, plant and equipment.

4. Capital work-in-progress

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	-	82
Additions	-	-
Transferred to plant and machinery	-	(82)
Closing balance	-	-

As on the date of the balance sheet, there are no capital work-in-progress whose completion is overdue or has exceeded the cost, based on approved plan.

5. Goodwill

₹ in Lakhs

As at April 1, 2023	**112,218**
Effect of foreign currency exchange differences	1,481
As at March 31, 2024	**113,699**
As at April 1, 2024	**113,699**
Effect of foreign currency exchange differences	2,691
As at March 31, 2025	**116,390**
Accumulated Impairment	
As at April 1, 2023	**2,381**
Effect of foreign currency exchange differences	(28)
As at March 31, 2024	**2,353**
As at April 1, 2024	**2,353**
Effect of foreign currency exchange differences	67
As at March 31, 2025	**2,420**
Net carrying value	
As at March 31, 2025	**113,970**
As at March 31, 2024	**111,346**

Impairment

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

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

The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the consolidated statement of profit and loss.

No impairment was identified in FY 2024-25 (FY 2023-24: Nil)

Allocation of goodwill to cash generating units:

The Group has identified the acquired businesses as CGUs that is Quant Systems Inc., Encore Software Services, Inc., GAPbuster Limited, Sonata Software LLC (formerly known as Sopris Systems LLC), Sonata Australia Pty Ltd., Interactive Business Information Systems Inc., Halosys Technologies Inc., Rezopia Inc. and Xyka software Private Limited.

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

₹ in Lakhs

Cash generating units	March 31, 2025	March 31, 2024
Quant Systems Inc.	89,885	87,716
Encore Software Services, Inc.	6,996	6,827
Interective Business Information Systems Inc.	6,570	6,411
Halosys Technologies Inc.	2,624	2,561
Sonata Software LLC (formerly known as Sopris Systems LLC)	2,545	2,484
GAPbuster Limited	2,045	2,056
Sonata Australia Pty Ltd	1,993	2,004
Rezopia Inc.	1,030	1,005
Xyka Software Private Limited	282	282
Total	**113,970**	**111,346**

At the end of each reporting period presented, the recoverable amount of a CGU is higher of its fair value less cost to sell and its value-in-use. The value in use determined based on the specific calculations. These calculations are based on net present value of cash flow projections over a period of five years discounted at the rate of 18% -26.5% (FY 2023-24: 18% -26.5%), pre-tax, which is arrived after consulting the valuation experts. The Group has considered steady growth rate of 12% to 25% YOY from FY 2024-25 onwards (FY 2023-24: 15% to 18% YOY). The discount rate used in the calculation reflects market's assessment of these risks specific to the asset as well as time value of money. EBITDA margins considered in the projections are based on international services and for FY 2024-25 onwards it is taken at 9% to 37% (FY 2023-24: 10% to 47%) based on financial budgets approved by Management.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter at 2% (FY 2023-24: 2%). The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The future cash flow projections consider potential risks associated with current economic environment and key assumptions such as volume forecasts and margins.

The projections cover a period of five years, as the 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 growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Group's strategic plans.

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

As at March 31, 2025 and at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not required.

6. Other intangible assets

₹ in Lakhs

Particulars	Intangible assets									
	Computer software - purchased	Internally generated software	Intel-lectual property	Non compete	Vendor re-lationship	Customer relation-ship	Cus-tomer contracts	Brand value	Total	Intangible asset under development
Cost										
As at April 1, 2023	**33**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,560**	**-**
Additions	19	-	-	-	-	-	-	-	**19**	-
Disposal / write off	-	-	-	-	-	-	-	-	**-**	-
Translation adjustments	1	-	-	-	-	-	-	-	1	-
As at March 31, 2024	**53**	**2,076**	**655**	**316**	**1,081**	**43,922**	**8,090**	**387**	**56,580**	**-**
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**
Accumulated amortization										
As at April 1, 2023	**16**	**1,162**	**394**	**316**	**1,081**	**1,549**	**1,655**	**78**	**6,251**	**-**
Amortization for the year	6	304	67	-	-	4,245	3,810	44	**8,476**	-
Amortization on disposal / write off	-	-	-	-	-	-	-	-	**-**	-
Translation adjustments	-	14	3	-	-	(581)	(69)	5	(628)	-
As at March 31, 2024	**22**	**1,480**	**464**	**316**	**1,081**	**5,213**	**5,396**	**127**	**14,099**	**-**
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**	**-**
Net carrying value										
As at March 31, 2025	**8**	**292**	**124**	**-**	**-**	**35,378**	**-**	**215**	**36,017**	**2,601**
As at March 31, 2024	**31**	**596**	**191**	**-**	**-**	**38,709**	**2,694**	**260**	**42,481**	**-**
Estimated useful life (in years)	**3**	**6**	**7-9**	**3**	**7**	**5-11**	**1-3**	**10**		
Estimated remaining useful life (in years)	**0-3**	**1**	**0-3**	**-**	**-**	**0-9**	**-**	**5**		

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 31 March 2025				
Projects in progress*	2,601	-	-	2,601
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

7. Non-current financial assets

7.1 Investments

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Equity instruments carried at fair value (Traded, quoted) through profit & loss		
138 shares of US $ 0.01 per share of Principal Financial Group Inc.,	10	10
(As at March 31, 2024: 138 shares of US $ 0.01 per share)		
Equity instruments carried at fair value (Non-traded, unquoted) through OCI		
Investment in simple agreement for future equity - Retail 10X, Inc.	-	709
2,252,686 shares of US $ 0.225 per share of SemiCab, Inc.	-	292
(As at March 31, 2024: 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.	88	250
(As at March 31, 2024: 2,993,941 shares of US $ 0.00001 per share)		
735,759 shares of US $ 0.00001 per share of Investment in Cloudlex Inc.	250	-
(As at March 31, 2024: 735,759 shares of US $ 0.00001 per share)		
Investments carried at amortised cost		
Investments in PSU Bonds (Non-traded, quoted)	-	38
Total	**348**	**1,299**
Aggregate book value of quoted investments	10	48
Aggregate market value of quoted investments	10	48
Aggregate carrying amount of unquoted investments	338	1,251
Aggregate amount of impairment in value of investments	-	-
Investments carried at fair value through profit & loss	10	10
Investments carried at fair value through other comprehensive income	338	1,251
Investments carried at amortised cost	-	38

7.2 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Balance held as margin money or security against borrowings*	1,240	1,813
Security deposits	935	1,916
Other assets	357	94
Total	**2,532**	**3,823**

* Held as margin money by bank against bank guarantees.

8. Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless otherwise stated		
Capital advances	2,579	-
Other deposits	34	17
Prepaid expenses	58	92
Balances with government authorities		
Receivable from customs authority	219	219
Receivable from GST authority	80	3
Other recoverables	17	17
Total	**2,987**	**348**

Current

9. Inventories

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Stock-in-trade - Hardware/Software products and licenses	4,724	9,800
Total	4,724	9,800

10. Current financial assets

10.1 Investments

Particulars	As at March 31, 2025		As at March 31, 2024	
	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)				
Aditya Birla Sunlife Overnight Fund - Direct Plan - Growth	-	-	642,401	2,503
Axis Overnight Fund Direct - Growth	-	-	237,722	3,011
Tata Money Market Fund - Direct Plan - Growth	33,782	1,593	-	-
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	-	-
SBI Liquid Fund - Direct Plan - Growth	-	-	52,991	2,003
Edelweiss Liquid Fund - Regular Plan - Growth	4,894	161	64,221	2,003
Kotak Liquid Fund - Direct Plan - Growth	13,455	705	-	-
LIC Liquid Fund - Direct Plan - Growth	51,059	2,404	-	-
HSBC Overnight Fund Direct - Growth	-	-	8,072	101
HSBC Money Market Fund - Regular Plan - Growth	401,142	104	-	-
HDFC Money Market Fund - Direct Plan - Growth	28,646	1,638	-	-
Axis Money Market Fund - Direct Plan - Growth	107,828	1,527	-	-
HSBC EURO Liquidity class	-	-	19,806	17

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of units	₹ in Lakhs	No. of units	₹ in Lakhs
HSBC US Treasury Money Market Funds	9,754,658	8,337	5,907,963	8,384
Investment in Edward Jones		790		734
Investments carried at amortised cost:				
Investments in PSU Bonds (Non-traded, quoted)				
Investments in PSU Bonds		54		119
Investments in bonds (Traded, quoted)				
8.6179% Cholamandalam Investment & Finance bonds (400 bonds of ₹ 10,00,000 each)	-	-	400	4,333
Total		**24,509**		**23,208**
Aggregate book value of quoted investments		24,509		23,208
Aggregate market value of quoted investments		24,509		23,208
Aggregate amount of impairment in value of investments		-		-
Investments carried at amortised cost		54		4,452
Investments carried at fair value through profit or loss		24,455		18,756

10.2 Trade receivables (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Billed		
Considered good	152,228	139,955
Less : Allowance for credit losses	2,695	4,573
	149,533	135,382
Trade receivables - credit impaired	1,959	1,016
Less : Allowance for credit losses	1,959	1,016
	-	-
Unbilled	24,560	25,126
Total	**174,093**	**160,508**

Information about the Group's exposure to credit, liquidity, market risks and impairment losses for trade receivables are included in Note 31. For the amounts receivable from related parties refer note 36.

Trade receivables ageing schedule

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments							Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	121,624	28,461	919	1,185	39	-	152,228
Undisputed Trade receivables - credit impaired	-	-	-	242	1,458	91	168	1,959
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(1,279)	(723)	(379)	(1,975)	(130)	(168)	(4,654)
Unbilled	24,560	-	-	-	-	-	-	24,560
Total	**24,560**	**120,345**	**27,738**	**782**	**668**	**-**	**-**	**174,093**
As at March 31, 2024								
Undisputed trade receivables - considered good	-	112,939	20,549	5,017	1,297	99	54	139,955
Undisputed Trade receivables - credit impaired	-	-	-	209	349	447	11	1,016
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(1,042)	(1,276)	(1,744)	(1,052)	(464)	(11)	(5,589)
Unbilled	25,126	-	-	-	-	-	-	25,126
Total	**25,126**	**111,897**	**19,273**	**3,482**	**594**	**82**	**54**	**160,508**

10.3 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current accounts	18,939	15,439
In EEFC accounts	2,540	1,072
In deposit accounts with original maturity of less than 3 months*	9,518	37,090
Cash on hand	1	1
Total	**30,998**	**53,602**

* 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.

10.4 Bank balances other than above

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Bank deposits with original maturity of more than three months but less than 12 months	12,764	32,212
In earmarked accounts		
Balance held as margin money or security against borrowings*	802	272
Unpaid dividend account**	379	411
Total	**13,945**	**32,895**

* Held as margin money by bank against bank guarantees.
** Is solely used for the purposes of making payment towards dividend.

10.5 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposits	1,233	220
Compensation right asset (Refer note 31)	2,306	4,224
Fair value of forward contracts (Refer note 30 & 31)	695	485
Other assets	151	530
Total	**4,385**	**5,459**

Information about the Group's exposure to credit, liquidity, market risks and impairment losses for trade receivables are included in Note 31.

11. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Contract assets (Refer note 26)	10,790	10,692
Other deposits	174	123
Advances to employees	326	203
Prepaid expenses	1,423	5,900
Balances with government authorities		
VAT credit receivable	201	131
GST credit receivable	3,516	2,558
Other recoverables	4,086	2,478
Total	**20,516**	**22,085**

12. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
500,000,000 equity shares of face value ₹ 1/- each	**5,000**	**5,000**
(As at March 31, 2024 : 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, 2024 : 280,424,816 equity shares of face value ₹ 1/- each)		
Subscribed and paid-up		
277,656,476 equity shares of face value ₹ 1/- each fully paid-up*	2,776	2,775
(As at March 31, 2024 - 277,552,476 equity shares of face value ₹ 1/- each)*		
Out of issued capital, 2,768,340 (As at March 31, 2024 - 2,872,340) shares are held by Sonata Software Limited Employee Welfare Trust		
2,768,340 equity shares (treasury) held by trust of face value ₹ 1/- each	28	29
(As at March 31, 2024 - 2,872,340 equity shares (treasury) of face value ₹ 1/- each)		

*The outstanding equity shares as at March 31, 2025 and March 31, 2024 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, 2025		As at March 31, 2024	
	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	**277,552,476**	**2,775**	**138,704,906**	**1,387**
Add: Shares issued on exercise of employee stock options before bonus issue (Refer note 34)	-	-	78,332	1
Add: Shares issued on exercise of employee stock options after bonus issue (Refer note 34)	104,000	1	-	-
Add: Bonus shares issued		-	138,769,238	1,387
Number of shares outstanding at the end of the year	**277,656,476**	**2,776**	**277,552,476**	**2,775**
Add: Number of treasury shares held by Sonata Software Limited Employee Welfare Trust (Shares issued for consideration other than cash)	2,768,340	28	2,872,340	29
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

Particulars	As at March 31, 2025		As at March 31, 2024	
	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)	23,078,174	8.23%	21,496,779	7.67%

iv) Details of shares held by each promoter

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%	-

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, 2024					
Akshay Rajan Raheja	11,000,000	11,000,000	22,000,000	7.85%	100.00%
Viren Rajan Raheja	11,000,000	11,000,000	22,000,000	7.85%	100.00%
Suman R Raheja	9,200,000	9,200,000	18,400,000	6.56%	100.00%
Rajan B Raheja	6,383,266	6,383,266	12,766,532	4.55%	100.00%
Globus Stores Private Limited #	1,914,665	1,914,665	3,829,330	1.37%	100.00%

* Due to issuance of bonus shares in December 2023 in the ratio of 1:1

\# During the previous year, Excelsior Construction Company Private Limited, Fantasia Enterprises Private Limited, Siena Traders Private Limited are merged with Globus Stores Private Limited.

(v) Equity shares movement during the 5 years preceding March 31, 2025

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.

vi) Treasury shares

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
2,768,340 equity shares (treasury) held by trust of face value ₹ 1/- each (As at March 31, 2024 : 2,872,340 equity shares (treasury) of face value ₹ 1/- each)	28	29

(vii) Distribution of dividend

During the year ended March 31, 2025, the Company has incurred a net cash outflow ₹ 12,227 lakhs towards final dividend for fiscal 2024. (During the year ended March 31, 2024, the Company has incurred a net cash outflow ₹ 12,139 lakhs towards final dividend for fiscal 2023 and ₹ 9,713 lakhs towards interim dividend for fiscal 2024.)

13. Other equity

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium reserve		
Opening balance	3,126	4,151
Premium received on issue of shares on exercise of options	345	362
Less: Amount utilized for bonus issue	-	1,387
Closing balance	**3,471**	**3,126**
Amount received on issue of shares in excess of the par value has been classified as security premium, net of utilisation.		
Capital redemption reserve		
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.	**2,787**	**2,787**
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		
Employee stock option reserve		
Opening balance	1,327	944
Add: Employee share based payments (Refer note 34)	285	383
Closing balance	**1,612**	**1,327**
This represents value of equity-settled share based payment transaction with employees.		
Retained earnings		
Opening balance	122,218	113,220
Profit for the year	42,467	30,850
Less :		
Dividend paid	12,227	21,852
Closing balance	**152,458**	**122,218**
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	(1,924)	(2,115)
For the year (net of tax)	(42)	191
Closing balance	**(1,966)**	**(1,924)**

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
The remeasurement of (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss recognised in other comprehensive income.		
Equity instruments through other comprehensive income		
Opening balance	-	-
For the year	(938)	-
Closing balance	**(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	(90)	(591)
For the year (net of tax)	(291)	501
Closing balance	**(381)**	**(90)**
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	1,668	1,540
For the year (net of tax)	365	128
Closing balance	**2,033**	**1,668**
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	**167,818**	**137,854**

14. Non-current financial liabilities

14.1 Borrowings

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Term loan		
From banks - Secured*	22,790	43,101
Total	**22,790**	**43,101**

*The Group has availed US dollar loan secured by charge over tangible, intangible and current assets of Sonata Software North America Inc., USA, and Quant Systems Inc., USA. The loan is repayable in 16 quarterly installments commencing from June, 2024 till March, 2028 at an interest rate of 3-Month term SOFR+165bps. The Group has repaid an amount of USD 23.33 Million (₹ 19,766 Lakhs) during the year. The Group has recorded an unrealised foreign currency translation loss of ₹ 1,372 Lakhs as at the balance sheet date.

14.2 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 39)	5,569	6,700
Total	**5,569**	**6,700**

14.3 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Other liabilities	3,184	2,757
Total	**3,184**	**2,757**

15. Current financial liabilities

15.1 Borrowings

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Secured loans from banks		
Current portion of term loan (Refer note 14.1 for terms of repayment)	21,366	19,449
Bank overdrafts	-	4
Unsecured loans		
Banks[1]	-	4,876
Total	**21,366**	**24,329**

[1]Vendor financing arrangement was entered with the bank where INR loan was repayable in 4 equal instalments commencing from December 10, 2023 till September 10, 2024. It was recognized under borrowings as this provided extended payment terms beyond the normal payment terms as agreed with the vendor. The entire outstanding balance has been repaid during the year.

15.2 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 39)	1,877	2,416
Total	**1,877**	**2,416**

15.3 Trade payables

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 29)	139	305
Total outstanding dues of creditors other than micro enterprises and small enterprises	155,562	141,290
Total	**155,701**	**141,595**

Information about the Group's exposure to credit, liquidity, market risks, and impairment losses for trade receivables are included in Note 31.

Trade payables ageing schedule:

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments						Total
	Accrued expenses	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises (Refer note 29)	-	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**
(ii) As at March 31, 2024							
Total outstanding dues of micro enterprises and small enterprises (Refer note 29)	-	208	97	-	-	-	305
Total outstanding dues of creditors other than micro enterprises and small enterprises	47,754	73,976	13,079	5,160	622	699	141,290
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**47,754**	**74,184**	**13,176**	**5,160**	**622**	**699**	**141,595**

15.4 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	31	51
Unpaid dividends	379	410
Payable on acquisition of property, plant and equipment	38	161
Fair value of forward contracts (Refer note 30 & 31)	923	584
Employee benefits payable	9,541	-
Payable for contingent consideration	-	51,579
Payable for deferred consideration	40,933	47,371
Other liabilities	1,484	3
Total	**53,329**	**100,159**

Information about the Group's exposure to credit, liquidity, market risks, and impairment losses for trade receivables are included in Note 31.

16. Other current liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (Refer note 26)	4,581	16,664
Gratuity payable (net) (Refer note 33)	-	237
Other payables		
Statutory remittances	6,756	4,996
Advances from customers	1,342	1,821
Other liabilities	953	393
Total	**13,632**	**24,111**

17. Provisions

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Compensated absences (Refer note 33)	3,835	3,698
Gratuity payable (net) (Refer note 33)	443	-
Total	**4,278**	**3,698**

18. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax ₹ 24,557 (for March 31, 2024 ₹ 34,339))	13,268	13,020
Total	**13,268**	**13,020**

19A. Income taxes

The income tax asset is ₹ 24,976 Lakhs (net of provision for tax of ₹ 93,461 Lakhs) as at March 31, 2025 and ₹ 25,941 Lakhs (net of provision for tax of ₹ 73,299 Lakhs) as at March 31, 2024.

A. Current taxes

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense in the consolidated statement of profit and loss consists of:		
Current Tax:		
In respect of current year	17,285	19,234
Deferred Tax:		
In respect of current year (origination and reversal of temporary difference)	(2,386)	(3,946)
Total Income tax expense recognised in the consolidated statement of profit and loss	**14,899**	**15,288**

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(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	(14)	65
On exchange differences on translating the financial statements of foreign operations	123	43
On net movement on effective portion of cash flow hedges	(98)	168
Total	**11**	**276**

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	57,366	46,138
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	14,438	11,612
Effect of:		
Income exempt from tax	(1,230)	(1,855)
Expenses that are not deductible in determining taxable profit	526	4,650
Items that are deductible in determining taxable profit	(38)	(616)
Income not taxable as per income tax	-	(83)
Provision for tax relating to prior years	386	612
Different tax rates of subsidiaries operating in other jurisdictions	761	897
Others	56	71
Income tax expense recognised in the standalone statement of profit and loss	**14,899**	**15,288**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 and March 31, 2024 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 has completed it's evaluation and has opted to pay tax at the reduced rate.

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 2024-25 (The unit was eligible for 100% deduction under normal computation in the financial year 2023-24). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognized as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

The Group is also subject to tax on income attributable to its permanent establishments in foreign jurisdictions due to operation of its foreign branches.

19B. Deferred taxes

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	167	212	-	-	379
Others, including employee and other payables	4,219	(623)	-	-	3,596
Gross deferred tax assets (A)	**8,844**	**(280)**	**(11)**	**-**	**8,553**
Deferred tax liabilities					
Intangible assets	(11,084)	1,996	-	(196)	(9,284)
Others, including employee and other payables	(1,313)	670	-	-	(643)
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 Tax assets / (liabilities) as at March 31, 2024 in relation to:

₹ in Lakhs

Particulars	As at April 1, 2023	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Others*	As at March 31, 2024
Property, plant and equipment	724	(165)	-	-	559
Allowances for credit losses	476	(203)	-	-	273
Net gain or loss on fair value of mutual funds	(12)	8	-	-	(4)
Defined benefit plans (Items that will not be reclassified to profit/ (loss))	556	-	(65)	-	491
Translation of foreign operations (Items that will be reclassified to profit/(loss))	(698)	-	(43)	-	(741)
Fair value changes on derivatives designated as cash flow hedges (Items that will be reclassified to profit/(loss))	632	-	(168)	-	464

₹ in Lakhs

Particulars	As at April 1, 2023	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Others*	As at March 31, 2024
MAT credit entitlement	2,129	1,287	-	-	3,416
Right of use assets	-	167	-	-	167
Others, including employee and other payables	3,784	435	-	-	4,219
Gross deferred tax assets (A)	**7,591**	**1,529**	**(276)**	**-**	**8,844**
Deferred tax liabilities					
Intangible assets	(13,221)	2,291	-	(154)	(11,084)
Others, including employee and other payables	(1,439)	126	-	-	(1,313)
Gross deferred tax liabilities (B)	**(14,660)**	**2,417**	**-**	**(154)**	**(12,397)**
Net deferred tax liabilities	**(7,069)**	**3,946**	**(276)**	**(154)**	**(3,553)**

* 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 ₹ 962 Lakhs and ₹1,067 Lakhs as at March 31, 2025 and March 31, 2024 respectively as it is not probable 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, 2025		As at March 31, 2024	
	Unabsorbed loss	Deferred tax	Unabsorbed loss	Deferred tax
AY 2024-25	-	-	105	12
AY 2025-26	962	138	962	110
Total	**962**	**138**	**1,067**	**122**

20.1 Revenue from operations (Refer note 26)

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of hardware/software product and licenses	739,805	612,944
Software services	273,638	248,051
Other operating revenues	2,282	311
Total	**1,015,725**	**861,306**

20.2 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income*	2,179	3,369
Net gain on investments carried at fair value through profit or loss	1,961	1,276
Net gain on derivatives carried at fair value through profit or loss	(939)	1,117
Net foreign exchange gain	2,170	522
Provisions/liabilities no longer required written back	125	5,450
Commission	-	8
Gain on termination of lease	3	492
Interest income on income tax refund	1,141	54
Miscellaneous income	475	267
Total	**7,115**	**12,555**
***Interest income comprise:**		
Interest on bank balances and bank deposits	2,164	3,345
Interest on financial assets carried at amortised cost	10	14
Interest on financial assets carried at fair value through profit or loss	5	10

21.1 Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of stock-in-trade (traded goods)	703,106	588,887
Total	**703,106**	**588,887**

21.2 Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Stock		
Stock-in-trade - Hardware/Software product and licenses	9,800	2,882
	9,800	**2,882**
Closing Stock		
Stock-in-trade - hardware/software product and licenses	4,724	9,800
	4,724	**9,800**
(Increase) / decrease in inventories	**5,076**	**(6,918)**

22. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	148,006	123,817
Contribution to provident and other funds (Refer note 33)	7,946	6,691
Share based payments to employees (Refer note 34)	285	379
Staff welfare expenses	3,530	2,569
Total	**159,767**	**133,456**

23. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	3,689	3,044
Lease liability (Refer note 39)	768	871
Unwinding contingent consideration (Refer Note 30)	1,675	4,353
Others	257	129
Other borrowing costs	136	104
Total	**6,525**	**8,501**

24. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	2,529	2,150
Depreciation of right of use assets (Refer note 39)	2,237	2,567
Amortisation of intangible assets (Refer note 6)	7,383	8,476
Total	**12,149**	**13,193**

25. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	450	478
Rent (Refer note 39)	1,499	758
Repairs and maintenance - Buildings	17	17
Repairs and maintenance - Machinery	227	272
Insurance	1,836	1,590
Rates and taxes	1,482	1,222
Communication cost	901	1,017
Facility maintenance	950	865
Travelling and conveyance expenses	2,898	2,829
Sales commission	2,013	1,618
Professional and technical fees	6,409	7,747
Legal fees	471	426
Recruitment	1,159	1,639
Insourcing professional fees	51,540	44,489
Expenditure on corporate social responsibility (Refer note 41)	778	684
Software license fees	2,436	1,831
Payments to auditors (Refer note below)	318	186
Net loss on property, plant and equipment sold / scrapped	39	41
Impairment loss/(gain) recognised on trade receivable	1,478	2,347
Miscellaneous expenses	1,950	3,082
Total	**78,851**	**73,138**
Note: Payment to auditors comprises (net of input tax credit):		
Remuneration to statutory auditors for audit of Company and its subsidiaries	271	125
Remuneration to statutory auditors for other services	31	52
Reimbursement of expenses	16	9
	318	**186**

26. 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, 2025			For the year ended March 31, 2024		
	India	Other than India	Total	India	Other than India	Total
Revenue from software services (over the time)						
Time and material	7,488	76,730	84,218	5,489	81,851	87,340
Fixed price	3,063	188,639	191,702	3,651	157,371	161,022
Revenue from software product and licenses at a point in time	599,277	140,528	739,805	480,322	132,622	612,944
Total	**609,828**	**405,897**	**1,015,725**	**489,462**	**371,844**	**861,306**

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, 2025	For the year ended March 31, 2024
Revenue as per contract	1,017,390	862,252
Less: Discounts	(1,665)	(946)
Revenue recognised in consolidated statement of profit and loss	**1,015,725**	**861,306**

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, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**10,692**	**10,212**
Amount accrued during the year	57,057	16,097
Deduction on account of revenues billed during the year	(57,274)	(15,617)
Translation exchange differences	315	-
Balance as at end of the year	**10,790**	**10,692**

Contract liabilities

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**16,664**	**3,545**
Additional amounts billed but not recognized as revenue	24,533	68,112
Deduction on account of revenues recognised during the year	(36,779)	(55,025)
Translation exchange differences	163	32
Balance as at end of the year	**4,581**	**16,664**

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, 2025, other than those meeting the exclusion criteria mentioned above, is ₹ 77,391 lakhs. The Group expects to recognize the revenue within the next one year 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.

27. Contingent Liabilities

₹ in Lakhs

Particulars		As at March 31, 2025	As at March 31, 2024
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 USD 40,000,000 and ₹ 50,000,000 respectively	34,685	33,860
	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**	2,350	2,406
c)	**Disputed demands of Income-tax**	36,636	40,743

Details of disputed demands of Income-tax primarily relate 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, 2024 - ₹ 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, 2024 ₹ 2,572 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).

(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, 2024 ₹ 4,402 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, 2024 ₹ 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. ₹ Nil (As at March 31, 2024 ₹ 4,756 lakhs) for financial years 2014-15, 2015-16, 2016-17 and 2019-20. The assessing officer has disallowed the intercompany service charges and cost for deputation of personnel. SITL has received favourable order from Honorable Commissioner of Income-tax (Appeals) and Honorable Income Tax Appellate Tribunal.

(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, 2024 ₹ 23,644 lakhs) of tax demand for the financial year 2001-02, 2002-03, 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, 2024 ₹ 72 lakhs) for the financial year 2014-15, 2015-16 and 2016-17. The assessing officer has disallowed payments made for purchase of software on non-deduction of tax. SITL has received favourable order from Honorable Commissioner of Income-tax (Appeals) and Honorable Income Tax Appellate Tribunal.

iii. ₹ 104 lakhs for the financial year 2020-21 (As at March 31, 2024 ₹ 205 lakhs for the financial years 2015-16 and 2020-21). The Income-tax department has made adjustment on transfer pricing grounds. Encore IT Services Solutions Private Limited (ENIN) has received favourable order from the Hon'ble Income Tax Appellate Tribunal for financial year 2015-16. For financial year 2020-21, ENIN has filed appeal before first appellant authority which is pending to be heard.

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.

28. Commitments

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for.	123	74

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 and March 31, 2024 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, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	139	305
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

30. Financial instruments

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 comprehensive income	Amortised cost	Carrying value
Financial assets					
Security deposits	7.2 & 10.5	-	-	2,168	2,168
Trade receivable	10.2	-	-	174,093	174,093
Cash and cash equivalents	10.3	-	-	30,998	30,998
Other balances with banks	7.2 & 10.4	-	-	15,185	15,185
Investment in PSU bonds	10.1	-	-	54	54
Other financial assets	7.2 & 10.5	-	-	2,814	2,814
Investment in mutual fund	10.1	24,455	-	-	24,455
Investment in equity instruments (quoted)	7.1	10	-	-	10
Investment in equity instruments (unquoted)	7.1	-	338	-	338
Forward contracts	10.5	397	298	-	695
Total		**24,862**	**636**	**225,312**	**250,810**
Financial liabilities					
Borrowings	14.1 & 15.1	-	-	44,156	44,156
Trade payables	15.3	-	-	155,701	155,701
Lease liabilities	14.2 & 15.2	-	-	7,446	7,446
Other financial liabilities	14.3 & 15.4	-	-	14,657	14,657
Payable for acquisition of subsidiary	15.4	40,933	-	-	40,933
Forward contracts	15.4	96	827	-	923
Total		**41,029**	**827**	**221,960**	**263,816**

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

₹ in Lakhs

Particulars	Note No.	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Carrying value
Financial assets					
Security deposits	7.2 & 10.5	-	-	2,136	2,136
Trade receivable	10.2	-	-	160,508	160,508
Cash and cash equivalents	10.3	-	-	53,602	53,602
Other balances with banks	10.4	-	-	32,895	32,895
Investment in bonds	10.1	-	-	4,333	4,333
Investment in PSU bonds	7.1 & 10.1	-	-	157	157
Other financial assets	7.2 & 10.5	-	-	6,661	6,661
Investment in mutual fund	10.1	18,756	-	-	18,756
Investment in equity instruments (quoted)	7.1	10	-	-	10
Forward contracts	10.5	77	408	-	485
Investment in equity instruments (unquoted)	7.1	-	1,251	-	1,251
Total		**18,843**	**1,659**	**260,292**	**280,794**
Financial liabilities					
Borrowings	14.1 & 15.1	-	-	67,430	67,430
Trade payables	15.3	-	-	141,595	141,595
Lease liabilities	14.2 & 15.2	-	-	9,116	9,116
Other financial liabilities	14.3 & 15.4	-	-	3,382	3,382
Payable for acquisition of subsidiary	14.3 & 15.4	98,950	-	-	98,950
Forward contracts	15.4	219	365	-	584
Total		**99,169**	**365**	**221,523**	**321,057**

The Management assessed that fair value of bank balance and short-term deposits, trade receivables, trade payables, borrowings 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, 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value hierarchy

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

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

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

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

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

₹ in Lakhs

Particulars	Fair value		Fair value hierarchy
	As at March 31, 2025	As at March 31, 2024	
Investment in equity instruments - Principal Share Group (quoted)	10	10	Level 1
Investment in Mutual funds (quoted)	24,455	18,756	Level 1
Investment in bonds	-	4,333	Level 2
Foreign currency forward contracts	695	485	Level 2
Foreign currency forward contracts (liabilities)	923	584	Level 2
Investment in equity instruments	338	1,251	Level 3
Fair value of contingent consideration payable	40,933	98,950	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, 2025	As at March 31, 2024
Opening balance	1,251	1,233
Remeasurement recognised in OCI	(938)	-
Translation adjustments	25	18
Closing balance	**338**	**1,251**

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	98,950	83,576
Additions during the year	-	-
Fair value measurement recognised in consolidated statement of profit and loss	1,675	4,353
Remeasurement recognised in consolidated statement of profit and loss	-	17,466
Translation adjustments	(498)	1,233
Payout during the year	(59,194)	(7,678)
Closing balance	**40,933**	**98,950**

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, 2025	For the year ended March 31, 2024
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognised in OCI on derivatives	(389)	669
Effective portion of gain or (loss) reclassified from OCI into consolidated statement of profit and loss as "revenue"	(435)	51

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, 2025	For the year ended March 31, 2024
Balance at the beginning of the year (net of tax)	(90)	(591)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	46	669
Net gain reclassified into consolidated statement of profit and loss on occurrence of hedged transactions	(435)	-
Deferred tax liability	98	(168)
Cash flow hedging reserve (net of tax)	(381)	(90)

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments	Amount in Lakhs		₹ in Lakhs	
In USD	1,102	1,245	95,570	105,838
in GBP	135	249	14,551	25,936
in EUR	18	43	1,661	3,922
in AUD	18	31	1,026	1,717
in SGD	21	-	1,346	-

The foreign exchange forward contracts mature anywhere between 0-5 year. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
Less than 3 months				
In USD	472	240	40,811	20,404
in GBP	105	129	11,172	13,506
in EUR	10	17	921	1,569
in AUD	11	20	622	1,098
in SGD	21	-	1,346	-
More than 3 months				
In USD	630	1,005	54,759	85,434
in GBP	30	120	3,379	12,430
in EUR	8	26	740	2,353
in AUD	7	11	404	619

Average rate of coverage:

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (in lakhs)	Weighted Average Rate(₹)	Amount (in lakhs)	Weighted Average Rate (₹)
USD	1,102	86.76	1,245	85.03
GBP	135	107.69	249	104.36
EUR	18	94.90	43	92.27
AUD	20	56.97	31	56.25
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, 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	-	-	-	-
As at March 31, 2024						
USD	36,597	83.71	36,029	84.76	33,212	86.84
GBP	15,895	103.61	531	106.22	9,510	105.53
EUR	2,115	91.95	1,807	92.66	-	-
AUD	1,374	56.01	137	54.69	206	59.02

31. 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 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, 2025 is considered adequate.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customer having more than 10% of total revenue	-	91,025

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, 2025		For the year ended March 31, 2024	
	India	Other than India	India	Other than India
Trade receivables	94,555	79,538	90,573	69,935
Allowance for credit loss	1,620	3,034	2,578	3,011
% of credit loss to trade receivables	2%	4%	3%	4%

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, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	5,589	2,307
Allowance for expected credit loss (net)*	(440)	6,571
Bad debts written off during the year	(503)	(2,611)
Foreign exchange differences	8	(678)
Balance at the end of the year	**4,654**	**5,589**

* 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 (As at March 31, 2024: The Group has adjusted compensation right asset amounting to ₹ 4,224 Lakhs against the allowance for expected credit loss. The Group has disclosed the remaining amount of ₹ 2,347 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

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 carries interest rate between 6.75% to 14.40%. The Group has availed working capital loans of ₹ 10,368 lakhs and the same have been repaid during the year. The outstanding balance as on March 31, 2025 is Nil and March 31, 2024 is ₹ 4 Lakhs.

The Group participates in a vendor financing arrangement. While the arrangement provides for extended payment terms beyond the normal terms agreed with vendor, the programme assists in making cash outflows more predictable (Refer note 15.1)

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, 2025	As at March 31, 2024
Cash and cash equivalents	30,998	53,602
Other balances with banks	13,945	32,895
Investment in bonds	-	4,333
Investments in mutual funds (quoted)	24,455	18,756
Investments in PSU Bonds (quoted)	54	119
Trade receivables	174,093	160,508
Other current financial assets	3,690	4,974
Derivative financial instruments - cash flow hedge	695	485
Other current assets	20,516	22,085

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

₹ 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	-	-

₹ in Lakhs

Particulars	As at March 31, 2024		
	Less than 1 year	1-2 years	2 years & above
Borrowings*	24,329	20,850	22,251
Trade payables	141,595	-	-
Other financial liabilities	99,575	2,757	-
Lease liabilities	2,790	1,731	8,864
Derivative financial instruments - cash flow hedge	584	-	-

* This includes vendor financing arrangement, refer note 15.1

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, 2025				For the year ending March 31, 2025		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	114,154	695	923	Fair value of forward contracts under other financial assets and other financial liabilities.	(389)	(939)	Other income

₹ in Lakhs

Particulars	As at March 31, 2024				For the year ending March 31, 2024		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	137,413	485	584	Fair value of forward contracts under other financial assets and other financial liabilities.	669	1,117	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 ₹ 1,142 lakhs increase and decrease in the Group's net profit as at March 31, 2025;

b) an approximately ₹ 1,375 lakhs increase and decrease in the Group's net profit as at March 31, 2024;

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

Exposure currency:

₹ in Lakhs

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**

As at March 31, 2024	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	62,545	4,694	3,056	2,216
Cash and cash equivalents	49,164	943	1,349	860
Other assets	1,650	587	1,578	668
Liabilities				
Trade payables	20,481	1,933	2,721	1,080
Other liabilities	99,295	-	-	137
Net assets/liabilities	**(6,417)**	**4,291**	**3,262**	**2,527**

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

₹ in Lakhs

Currencies	March 31, 2025	March 31, 2024
USD	(163.17)	(64.17)
GBP	66.55	42.91
EUR	63.11	32.62
Other currencies	36.49	25.27

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 ₹ 221 lakhs increase and decrease in the Group's net profit as at March 31, 2025;

b) an approximately ₹ 313 lakhs increase and decrease in the Group's net profit as at March 31, 2024;

32. 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, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	170,594	140,629
As percentage of total capital	77%	65%
Current borrowings	21,366	24,329
Non-current borrowings	22,790	43,101
Lease liabilities	7,446	9,116
Total borrowings	**51,602**	**76,546**
As a percentage of total capital	23%	35%
Total capital (borrowings and equity)	**222,196**	**217,175**

The Group is predominantly equity financed 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.

33. Employee benefit plans

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 ₹ 1,798 lakhs (for the year ended March 31, 2024 ₹ 1,768 lakhs) has been charged to the consolidated statement of profit and loss (as part of contribution to provident fund and other funds in Note 22 Employee benefit 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 22)	Year ended March 31, 2025	Year ended March 31, 2024
Employee's State Insurance (as part of contribution to provident fund and other funds)	6	1
Superannuation (as part of contribution to provident fund and other funds)	2,540	2,490
National Pension Scheme (as part of contribution to provident fund and other funds)	196	154
National Insurance Contribution (as part of contribution to provident fund and other funds)	655	562
Other contributions (as part of contribution to provident fund and other funds)	1,741	812

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.

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

Particulars	March 31, 2025	March 31, 2024
Discount rate(s)	6.76% - 6.82%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
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	4.09 - 5.71 years	6 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, 2025	Year ended March 31, 2024
Service cost:		
Current service cost	994	849
Net interest expense	16	55
Components of defined benefit costs recognised in the consolidated statement of profit and loss	1,010	904
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(175)	(500)
Actuarial (gains) / losses arising from changes in financial assumptions	226	122
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(8)
Actuarial (gains) / losses arising from experience adjustments	5	126
Others	-	4
Components of defined benefit costs recognised in other comprehensive income	**56**	**(256)**

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

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

₹ in Lakhs

Particulars	March 31, 2025	March 31, 2024
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(10,200)	(9,194)
Fair value of plan assets	9,757	8,957
Net (liability) / Assets arising from defined benefit obligation	**(443)**	**(237)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	9,194	7,967
Defined benefit obligation of acquired company	17	14
Current service cost	994	849
Interest cost	652	594
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	226	122
Actuarial (gains) / losses arising from experience adjustments	5	126
Actuarial (gains) / losses arising from Demographic adjustments	-	(8)
Benefits paid	(843)	(470)
Others	(45)	-
Closing defined benefit obligation	**10,200**	**9,194**
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	**8,957**	**7,238**
Interest income	636	539
Return on plan assets (excluding amounts included in net interest expense)	175	500
Contributions from the employer to the Gratuity Fund	832	1,150
Benefits paid	(843)	(470)
Closing fair value of plan assets	**9,757**	**8,957**

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

Particulars	March 31, 2025	March 31, 2024
Insurer Managed Funds	100%	100%
Category of funds :		
Secure Fund	0.00%	3.03%
Defensive Fund	54.95%	54.87%
Balanced Fund	45.00%	42.06%
Stable Fund	0.05%	0.04%

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(568)	635	(471)	527
Future salary growth (1% movement)	692	(629)	532	(485)
Employee turnover rate (1% movement)	32	(38)	51	(58)

The Group expects to contribute ₹ 1,679 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, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	10,200	9,194	7,966	7,158	5,701
Fair value of plan assets	9,757	8,957	7,238	6,555	4,815
Surplus / (deficit)	(443)	(237)	(728)	(603)	(886)
Experience adjustments on plan liabilities - (gain)/losses	5	126	658	1,442	324
Return on plan assets - (losses)/gain	175	500	(325)	137	681

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	1,494	1,308
1-2 years	1,246	978
2-3 years	1,126	962
3-4 years	1,085	1,102
4-5 years	1,197	942
5 years and Above	10,472	9,661

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, 2025	As at March 31, 2024
Discount rate(s)	4.81% - 6.82%	4.81% - 7.20%
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 (%)	0-20%	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, 2025	As at March 31, 2024
Current liability	3,835	3,698
Present value of compensated absences	**3,835**	**3,698**

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(51)	(18)	(55)	60
Future salary growth (1% movement)	56	(51)	63	(56)

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	748	209
1-2 years	151	838
2-3 years	135	132
3-4 years	111	111
4-5 years	85	97
5 years and above	404	420

34. 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, 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 Group
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	

The following share-based payment arrangements were in existence during the year ended March 31, 2024

Number of Shares	Grant date	Vesting date	Exercise price (₹)*	Fair value of the stock options at grant date (₹)	Contractual terms
8,000	May 31, 2019	May 30, 2023	132.94	51.66	The stock options are exercisable from the date on which option vests until the employee(s) are in the employment with the Group
53,332	May 29, 2020	May 28, 2023	77.27	23.49	
106,664	May 2, 2022	May 1, 2026	282.05	82.14 - 101.15	
1,066,664	Apr 8, 2022	Apr 7, 2026	294.54	90.97 - 111.22	
93,331	Apr 29, 2022	Apr 28, 2026	281.13	84.97 - 104.1	
100,331	May 19, 2022	May 18, 2026	250.66	78.20 - 94.73	
70,000	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	

* Adjusted for issuance of bonus shares in December 2023 in the ratio of 1:1

(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, 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

For the year ended March 31, 2024

Grant date	May 31, 2019	May 29, 2020	Apr 8, 2022	Apr 29, 2022	May 2, 2022	May 19, 2022	May 25, 2022	April 3, 2023
Grant date share price (₹)*	178.35	101.45	299.98	282.04	278.38	252.21	241.43	429.50
Exercise price (₹)	177.25	77.27	294.55	281.13	282.05	250.66	247.07	418.15
Expected volatility (%)	53.26	40.00	40	40	40	40	40	40
Option life (in years)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Dividend yield (%)	2.50	2.50	2.00	2.00	2.00	2.00	2.00	4.50
Risk-free interest rate (%)	6.71 - 7.03	4.76-5.26	6.00 - 6.67	6.32 - 6.89	6.29 - 6.85	7.03 - 7.28	6.88 - 7.13	7.29 - 7.32

* Adjusted for issuance of bonus shares in December 2023 in the ratio of 1:1

(iii) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2024-25		2023-24	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	1,419,994	295.83	821,326	543.88
Granted during the year *	125,000	217.34	836,996	-
Exercised during the year	104,000	332.95	78,332	463.29
Expired during the year	-	-	159,996	-
Balance at end of year	**1,440,994**	**292.95**	**1,419,994**	**295.83**
Exercisable at the end of the year	569,330	272.13	319,998	258.33

* Includes bonus issue in the ratio of 1:1. no of options 756,996 in previous year.

(iv) Stock options exercised during the year

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

The following share options were exercised during the financial year 2023-24:

Granted on	Number exercised	Exercise date	Share price at exercise date (₹)
May 05, 2019 to May 25, 2022	78,332	June 02, 2023 to January 31, 2024	478.10 to 768

(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 ₹ 320.85 (as at March 31, 2024 ₹ 295.83).

During the year, the amount recognised as expense for employee stock options is ₹285 Lakhs (for the year ended March 31, 2024 is ₹ 455 Lakhs). Reversal of ESOP expenditure is Nil (for the year ended March 31, 2024 is ₹72 lakhs).

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 trust accounts.

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. (During the year ended March 31, 2024, 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 ₹ 2,652 lakhs, investments ₹ 22 lakhs, other assets₹ 49 lakhs and other liabilities ₹ 3 lakhs, equity ₹ 2,720 lakhs).

36. Related party disclosure

i) Details of related parties :

Description of relationship	Names of Related Parties
(a) Post-employment benefit plan (Refer Note 33)	Sonata Software Limited Gratuity Fund
	Sonata Software Officers' Superannuation Fund
(b) Entity with common Key Management Personnel (KMPE)	Health & Glow Private Limited
	Outlook Publishing (India) Pvt Ltd
(c) Key Management Personnel (KMP)	Mr. Samir Dhir, Managing Director & Chief Executive Officer
	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, 2025	March 31, 2024
Rendering of services		
Health & Glow Private Limited	-	131
Compensation of key management personnel of the Company		
Short-term employee benefits*	1,482	1,892
Other long-term employee benefits	896	694
Share-based payment transactions	170	304
Others	363	320
Total compensation paid to key management personnel	**2,911**	**3,210**
Balances outstanding at the end of the year		
Trade receivables		
Health & Glow Private Limited	-	22
Advance to suppliers		
Outlook Publishing (India) Pvt Ltd	24	-
Payable to key management personnel of the Company		
Short-term employee benefits*	693	1,836
Other long-term employee benefits	2,388	1,447
Share-based payment transactions	976	846
Others	363	320

* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Terms and conditions of transactions with related parties:
1. The balance outstanding above are unsecured and would be settled in cash.

37. 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue								
Segment revenue	611,325	491,261	405,897	371,844	-	-	1,017,222	863,105
Inter segment revenue							(1,497)	(1,799)
Revenue from operations							**1,015,725**	**861,306**
Segment result								
Profit before tax, interest, depreciation and amortization	22,466	19,733	52,433	59,348	1,141	6,217	76,040	85,298
Less: Depreciation and amortization							(12,149)	(13,193)
Less: Finance costs							(6,525)	(8,501)
Profit before tax and exceptional item							**57,366**	**63,604**
Less: Exceptional item								
- Changes in fair value of contingent consideration payable							-	(17,466)
Profit before tax							**57,366**	**46,138**
Less: Tax expense							(14,899)	(15,288)
Profit after tax							**42,467**	**30,850**
Segment assets	139,880	145,582	302,106	334,545	33,529	34,785	475,515	514,912
Segment liabilities	143,704	143,509	138,022	205,357	23,195	25,417	304,921	374,283

Secondary disclosure

Business segment

₹ in Lakhs

Particulars	Products		Services		Unallocable		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue	739,805	612,944	275,920	248,362	-	-	1,015,725	861,306
Assets	139,880	145,582	302,106	334,545	33,529	34,785	475,515	514,912
Capital expenditure	87	40	1,462	2,536	-	-	1,549	2,576

38. 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, 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)[3]	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. [5]	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)
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.[1]	0.14%	278	0.07%	60	-0.84%	28	0.11%	88
Sonata Software Solutions[2]	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**
Elimination		(30,102)		(38,156)		2,428		(35,728)
Total		**170,594**		**42,467**		**(906)**		**41,561**

b) As at and for the year ended March 31, 2024

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	41.47%	70,664	40.77%	35,877	-67.24%	534	41.75%	36,411
Subsidiaries :								
Indian								
Sonata Information Technology Limited	16.05%	27,347	18.56%	16,336	-23.55%	187	18.95%	16,523
Sonata Software Solutions Limited	7.12%	12,135	8.35%	7,345	1.39%	(11)	8.41%	7,334
Encore IT Services Solutions Private Limited	0.54%	925	1.24%	1,088	3.02%	(24)	1.22%	1,064
Foreign								
Sonata Software North America Inc.	16.44%	28,011	3.60%	3,170	230.23%	(1,828)	1.54%	1,342
Sonata Software LLC,US (formerly known as Sopris Systems LLC) [3]	-0.70%	(1,189)	0.00%	-	2.27%	(18)	-0.02%	(18)
Sonata Software (Qatar) LLC	0.00%	(6)	-0.03%	(24)	-0.02%	0	-0.03%	(24)
Sonata Software GmbH	-0.08%	(131)	0.00%	(3)	0.00%	-	0.00%	(3)
Sonata Europe Limited	7.08%	12,069	-1.51%	(1,325)	-15.87%	126	-1.37%	(1,199)
GAPbuster Worldwide Pty Limited	0.28%	476	-0.06%	(49)	44.08%	(350)	-0.46%	(399)
GAPbuster Limited [4]	0.00%	-	0.84%	742	0.00%	-	0.85%	742
GAPbuster Europe Limited [4]	0.00%	(0)	-0.14%	(121)	0.00%	-	-0.14%	(121)
GAPbuster Inc.	-0.08%	(138)	-0.25%	(222)	-12.85%	102	-0.14%	(120)
Sonata Software Worldwide Malaysia SDN. BHD. (formerly known as GAPbuster Worldwide Malaysia SDN. BHD.)	-0.03%	(49)	-0.13%	(117)	-4.41%	35	-0.09%	(82)
Sonata Software Japan KK (formerly known as Kabushiki Kaisha Gapbuster Japan)	-0.21%	(362)	0.14%	120	-33.63%	267	0.44%	387
Sonata Software (Shanghai) Co., Ltd (formerly known as GAPbuster China Co. Limited)	-0.01%	(21)	0.21%	181	-1.89%	15	0.22%	196
Sonata Australia Pty Ltd	1.37%	2,331	1.83%	1,611	2.52%	(20)	1.82%	1,591
Encore Software Services Inc. [5]	1.29%	2,205	3.28%	2,885	-3.28%	26	3.34%	2,911
Sonata Software Intercontinental Limited	-0.03%	(52)	-0.61%	(538)	0.44%	(3)	-0.62%	(541)
Sonata Software Canada Limited	0.09%	154	0.19%	164	-0.04%	0	0.19%	164
Sonata Latin America S. DE R.L. DE C.V.	-0.18%	(300)	-0.32%	(284)	2.46%	(20)	-0.35%	(304)
Sonata Software Malaysia SDN. BHD.[1]	0.11%	190	0.11%	101	-0.03%	0	0.12%	101
Quant Systems Inc.	7.67%	13,077	23.49%	20,674	-22.92%	182	23.91%	20,856
Quant Cloud Solutions Private Limited	1.79%	3,051	0.45%	392	-0.63%	5	0.46%	397
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%**	**170,387**	**100%**	**88,003**	**100%**	**(794)**	**100%**	**87,209**
Eliminations		(29,758)		(57,153)		1,614		(55,539)
Total		**140,629**		**30,850**		**820**		**31,670**

1 Sonata Software Malaysia SDN. BHD. has been incorporated in Malaysia with effect from June 13, 2023.

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

3 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

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 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

39. 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, 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**

₹ in Lakhs

Particulars	Category of ROU asset		
	Leasehold land	Leasehold buildings	Total
Balance as at April 1, 2023	**190**	**8,091**	**8,281**
Additions	-	3,864	3,864
Deletion	-	(1,498)	(1,498)
Depreciation for the year	(13)	(2,554)	(2,567)
Translation difference	-	17	17
Balance as at March 31, 2024	**177**	**7,920**	**8,097**

The following is the movement in lease liabilities during the year:

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	**9,116**	**9,692**
Non-cash changes		
Additions	559	3,827
Finance cost accrued during the year	768	871
Deletions	(68)	(1,963)
Translation difference	(2)	26
Cash changes		
Payment of lease liabilities	(2,927)	(3,337)
Balance at the end of the year	**7,446**	**9,116**

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, 2025	As at March 31, 2024
Current lease liabilities	1,877	2,416
Non-current lease liabilities	5,569	6,700
Total	**7,446**	**9,116**

Contractual maturities of lease liabilities.

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	1,973	2,790
Later than one year and not later than 5 years	4,076	4,617
Later than 5 years	5,163	5,978
Total	**11,212**	**13,385**

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, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year (refer note 23)	768	871
Depreciation on ROU assets (refer note 24)	2,237	2,567
Rent expense pertaining to short- term leases (refer note 25)	1,499	758
Total	**4,504**	**4,196**

40. Business Combinations

Acquisition of Quant Systems Inc.

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

Deferred contingent consideration remeasurement

Quant Systems Inc.

SSNA had re-measured the fair value of the contingent consideration payable to be USD 105.42 mn (INR 87,719 Lakhs) as at March 31, 2024, thereby an increase of USD 17.12 mn (INR 14,244 Lakhs).

Encore Software Services, Inc.

SSNA had re-measured the fair value of the contingent consideration payable, which had resulted in the change in fair value by USD 3.87 mn (INR 3,222 Lakhs) to USD 13 mn (INR 10,807 Lakhs) as at March 31, 2024.

The above changes in fair value of contingent consideration payable amounting to USD 20.99 mn (INR 17,466 Lakhs) is owing to better financial performance of the acquired entities and are recorded in the consolidated statement of profit and loss as at March 31, 2024. The Management has disclosed the above changes in fair value as an 'exceptional item', considering the significance of the amount and its non-recurring nature.

41. 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 during the year is ₹ 778 lakhs (Previous year is ₹ 734 lakhs)

(ii) Amount spent during the year is ₹ 776 lakhs (Previous year is ₹ 690 lakhs).

₹ in Lakhs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	776	-	776	690	-	690
Total	**776**	**-**	**776**	**690**	**-**	**690**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	(7)	(51)
Add: Amount required to be spent during the year	778	734
Less: Amount Spent during the year	776	690
Closing balance (short / (excess) spent)	**(5)**	**(7)**

42. 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, 2025		For the year ended March 31, 2024	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax attributable to equity shareholders (₹ in Lakhs) (a)	42,467	42,467	30,850	30,850
Weighted average number of equity shares outstanding during the year (Nos)	280,371,161	280,371,161	280,370,595	280,370,595
Weighted average number of potential equity shares exercised by Sonata Software Limited Employee Welfare Trust (Nos)	(2,768,340)	(2,768,340)	(2,872,340)	(2,872,340)
Weighted average number of equity shares resulting from assumed exercise of employee stock options (Nos)	-	285,737	-	473,163
Weighted average number of equity shares for calculation of earning per share (Nos) (b)	277,602,821	277,888,558	277,498,255	277,971,418
Basic earning per share (a/b)	15.30	-	11.12	-
Diluted earning per share (a/b)	-	15.28	-	11.10

43. Distributions made and proposed (Refer note 12 & 13):

The Board of Directors at its meeting held on May 07, 2025 have recommended a final dividend of 440% (₹ 4.40 per equity share of par value ₹ 1 each), which is subject to approval of shareholders.

The Board of Directors at their meeting held on October 25, 2023 had declared an interim dividend of 700% (₹ 7 per equity share of par value of ₹ 1 each). Further, the Board of Directors at its meeting held on May 07, 2024 had recommended a final dividend of 440 % (₹ 4.40 per equity share of par value ₹ 1 each).

44. There is no amount due or outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

45. **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, 2025.

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Software Limited
CIN: L72200MH1994PLC082110

Sanjay K Asher
Chairman
DIN: 00008221

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer

R Sathyanarayana
VP - Finance & Accounts

Mangal Krishnarao Kulkarni
Company Secretary

Place: Mumbai
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

BOARD'S REPORT

SONATA INFORMATION TECHNOLOGY LIMITED (THE 'COMPANY')

Dear Members,

Your Directors have pleasure in presenting the **Twenty-Fifth** Annual Report of Sonata Information Technology Limited ("SITL" or "the Company") together with the Audited Financial Statements for the financial year ended **31st March, 2025.**

CORPORATE OVERVIEW

Your Company is a leading provider of Information Technology solutions, software development services, and the resale of enterprise products from global technology leaders including Microsoft, IBM, and Oracle. The Company serves clients across India and internationally, delivering integrated, technology-driven business solutions tailored to meet evolving enterprise needs.

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, which is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited, SITL operates as a material unlisted subsidiary. With a customer-first philosophy, robust technology partnerships, and a focus on innovation, the Company has positioned itself as a key enabler in its clients' digital transformation journeys.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March, 2025, compared with the previous year, is as under:

₹ in Lakhs

Description	Financial Year ended 31.03.2025	Financial Year ended 31.03.2024
Total income	738,775	601,478
Total expenditure	713,628	578,646
EBITDA	25,147	22,832
Depreciation and amortization expense	312	234
Finance cost	630	673
Profit before tax	24,205	21,925
Provision for tax (Net)	6,202	5,591
Profit after tax	18,003	16,334
Earnings in ₹ per share	533.39	483.91

BUSINESS PERFORMANCE

During the year under review, your Company delivered a strong performance, reflecting a positive state of the Company's affairs. Revenue increased by 20% and EBITDA grew by 10% year-on-year.

Our continued focus on Hybrid Cloud Infrastructure Management and technology expertise has positioned us as the preferred partner for digital transformation for many of our clients. The achievement of the highest level of certifications across all major cloud platforms has significantly enhanced our credibility with both OEM partners and customers.

We dedicated significant efforts during the year in strengthening our IT Security competency. This has led to deeper engagements with customers as they address their growing IT and Cloud security needs across their enterprises. Additionally, we've seen increased interest in our SOC (Security Operations Center) solutions from existing clients.

You Company successfully renewed multi-year contracts with several long-term clients and saw opportunities for upselling various software products within our current customer base.

As AI adoption gains momentum among Indian enterprises, we have aligned our focus towards AI-related products and tools offered by our OEM partners. In collaboration with our OEM partners, we've been actively involved in supporting our customers through their AI adoption journeys and initiatives.

BUSINESS OUTLOOK

Your Directors remain optimistic about the business environment and the Company's continued growth trajectory. The global shift towards digital-first business models and increased cloud adoption offers SITL significant opportunities to strengthen its Managed Services portfolio.

The Company will continue to expand its customer base, focusing on cloud-native and cloud-migration services, especially in the areas of Cloud Security and governance. By leveraging strategic partnerships and continuously enhancing internal capabilities, SITL aims to drive value-led digital transformation for its clients, ensuring scalability, security, and business agility.

DIVIDEND / TRANSFER TO RESERVES

Your Directors are pleased to recommend a Final Dividend of ₹296.26 per equity share (i.e., 2962.60% on the face value of ₹10 each), amounting to ₹100 Crores for the financial year ended 31st March, 2025. This dividend is subject to approval by the shareholders at the ensuing Annual General Meeting and shall be liable to deduction of tax at source, as applicable.

During the year under review, your Directors had also declared and paid an Interim Dividend of ₹118.50 per equity share, aggregating to ₹40 Crores, which was approved by the Board at its meeting held on 31st July, 2024.

Accordingly, the total dividend for the financial year 2024–25 aggregates to ₹414.76 per equity share, amounting to ₹140 Crores.

Your Company has not transferred any amount to reserves during the financial year ended 31st March, 2025.

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 public, rights, or preferential, 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 during the financial year ended 31st March, 2025 and up to the date of this Report:

a) Ms. Mona Ninad Desai (DIN: 03065966) was appointed as an Additional Director in the capacity of Independent Woman Director by the Board at its meeting held on 6th November, 2024. Her appointment was made 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 your Company is an unlisted material subsidiary of Sonata Software Limited, a listed entity.

   The Board is of the opinion that Ms. Desai possess the requisite integrity, expertise, experience and proficiency as required for appointment as Independent Director of your Company.

   A brief profile of Ms. Desai is provided in the Notice to the Annual General Meeting. The Board recommends her appointment as an Independent Director for a term ending on 6th May, 2029, to be approved by the Members.

b) Ms. Radhika Rajan (DIN: 00499485), Independent Director, completed her second term and ceased to hold office with effect from the close of business hours on 31st March, 2025. The Board places on record its appreciation for her contributions and commitment to governance during her tenure.

   As required under Section 149(7) of the Companies Act, 2013, both Independent Directors as mentioned above had declared compliance with the criteria of independence under Section 149(6). There were no change in circumstances affecting their status during the year. They also affirmed adherence to the Company's Code of Conduct and are duly registered in the Independent Directors' Databank.

c) Consequent to the retirement of Ms. Radhika Rajan and in terms of the applicable regulatory framework, the Board at its meeting held on 6th February, 2025, approved the appointment of Ms. Mona Ninad Desai as Chairperson of all Committees of the Board with effect from 1st April, 2025.

d) Mr. Samir Dhir (DIN: 03021413), Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. A brief profile of Mr. Dhir is provided in the Notice to the AGM.

e) As on 31st March, 2025, the composition of the Board of Directors is as follows:

   Composition of the Board of Directors:

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)	Director	Independent
Ms. Radhika Rajan (DIN: 00499485)*	Director	Independent
Mr. Samir Dhir (DIN: 03021413)	Director	Non-Executive

* Ms. Radhika Rajan ceased to a Director w.e.f. close of business hours of 31st March, 2025.

f) In accordance with Section 203 of the Companies Act, 2013, Mr. Vivek Kumar (ICSI Membership No. A20938) was appointed as the Company Secretary and Key Managerial Personnel by the Board with effect from 31st July, 2024.

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.

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, 2025 and up to the date of this Report.

BOARD & COMMITTEE MEETINGS

During the financial year ended 31st March, 2025, the Board of Directors met four times on 7th May, 2024, 31st July, 2024, 6th November, 2024, and 6th February, 2025. The maximum interval between any two consecutive meetings did not exceed 120 days, thereby complying with Section 173(1) of the Companies Act, 2013 and Secretarial Standard-1 (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

These meetings were duly convened, constituted and conducted in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder.

The agenda and related documents for all the meetings were circulated in advance to enable informed 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 during the year and as on the date of this report is as below:

Name of the Director & DIN	Designation (in the Committee)	Category
Ms. Radhika Rajan* (DIN: 00499485)	Chairperson (until 31st March, 2025)	Independent
Ms. Mona Ninad Desai** (DIN: 03065966)	Chairperson (w.e.f. 1st April, 2025)	Independent
Mr. P Srikar Reddy (DIN: 00001401)	Member	Non-Executive
Mr. Sujit Mohanty (DIN: 00001404)	Member	Executive
Mr. Samir Dhir (DIN: 03021413)	Member	Non-Executive

*Ms. Radhika Rajan ceased to be a Director & Chairperson of the Committee w.e.f. close of business hours on 31st March, 2025.

**Ms. Mona N. Desai was Appointed as a Member on 6th Nov, 2024 and as Chairperson w.e.f. 1st April, 2025.

During the financial year under review, the Audit Committee met four times-on 7th May, 2024, 31st July, 2024, 6th November 2024, and 6th February, 2025. The time gap between any two meetings was within the statutory limit prescribed under the Companies Act, 2013.

All recommendations made by the Audit Committee during the year were duly accepted and acted upon by the Board of Directors.

It may be noted that Ms. Mona Ninad Desai was appointed as a Member of the Audit Committee effective 6th November, 2024 and was designated as Chairperson with effect from April 01, 2025, following the completion of tenure of Ms. Radhika Rajan as Independent Director on 31st March, 2025.

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 during the year and as on the date of this report is as below:

Name of the Director & DIN	Designation (in the Committee)	Category
Ms. Radhika Rajan* (DIN: 00499485)	Chairperson* (until 31st March, 2025)	Independent
Ms. Mona Ninad Desai ** (DIN: 03065966)	Chairperson (w.e.f. 1st April, 2025)	Independent
Mr. P Srikar Reddy (DIN: 00001401)	Member	Non-Executive
Mr. Sujit Mohanty (DIN: 00001404)	Member	Executive
Mr. Samir Dhir (DIN: 03021413)	Member	Non-Executive

*Ms. Radhika Rajan ceased to be a Director & Chairperson of the Committee w.e.f. close of business hours on 31st March, 2025.

**Ms. Mona N. Desai appointed as a Member on 6th Nov, 2024 and as Chairperson w.e.f. 1st April, 2025.

The Committee met four times during the financial year on 7th May, 2024, 31st July, 2024, 6th November, 2024, and 6th February, 2025.

Ms. Mona Ninad Desai joined the CSR Committee on 6th November, 2024, and was designated as Chairperson effective 1st April, 2025, following the conclusion of tenure of Ms. Radhika Rajan on 31st March, 2025.

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 Directors was held on 6th February, 2025, 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.

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, 2025, do not contain any qualifications, reservations, adverse remark or disclaimer. 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/W-100022), 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, adverse remark or disclaimer.

SECRETARIAL AUDITORS

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 the Audit Committee, appointed M/s. GDR & Partners LLP (holding ICSI Firm Registration Number: L2024KR016500) Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2024–25. The Secretarial Audit Report in Form MR-3 for the year ended 31st March, 2025, is annexed to this Report as **Annexure I**.

The report does not contain any qualifications, reservations, adverse remark or disclaimer.

Based on the performance of the firm and the recommendation of the Audit Committee, the Board, at its meeting held on 7th May, 2025, has proposed to appoint M/s. GDR & Partners LLP holding ICSI Firm Registration Number: L2024KR016500 as Secretarial Auditors for a term of five consecutive years, from financial year 2025–26 to 2029–30, subject to the approval of the shareholders at the ensuing Annual General Meeting.

REPORTING OF FRAUDS BY AUDITORS

During the 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 the Board of Directors.

MAINTENANCE OF COST RECORDS AND APPOINTMENT OF COST AUDITOR

Your Company is not engaged in any activity that is covered under the Companies (Cost Records and Audit) Rules, 2014. Accordingly, the maintenance of cost records and appointment of Cost Auditors are not applicable to the Company for the financial year under review.

SECRETARIAL STANDARDS

During the financial year under review, your Company has duly complied with the applicable provisions of Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings, as issued by ICSI and notified by the Ministry of Corporate Affairs.

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 of the Company for the financial year ended 31st March, 2025, 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

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

During the financial year ended 31st March, 2025, your Company earned foreign exchange amounting to ₹ 284,114 Lakhs through actual inflows (on account of software services rendered, export of traded products, and interest income) and incurred foreign exchange outgo of ₹ 22,775 Lakhs through actual outflows (on account of travel, royalty, import of traded goods, etc.).

PARTICULARS OF EMPLOYEES

The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company for the financial year under review.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the financial year under review pursuant to the provisions of Chapter V of the Companies Act, 2013.

AWARDS & RECOGNITION

Your Company was conferred with several prestigious awards and recognitions during the year, highlighting the strength of its partnerships and industry positioning:

- Siemens - "Partner of the year – for Highest SaaS wins"
- Fortinet - Growth Partner of the year
- Goto - Top Partner of the year
- Lamda Test - Reseller of the year
- EDB - Best Partner for lead Demand Management 2024
- Veritas - Mid Market Champions
- Open text - Top performing partner of 2024

These accolades reflect your Company's continued excellence in delivering high-impact technology solutions and forging valuable strategic partnerships.

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.

INTERNAL FINANCIAL CONTROLS

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, 2025, the Audit Committee, after reviewing the findings of M/s. 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 and material orders passed by Regulators, Courts, or Tribunals during the year or up to the date of this Report, which would impact the Company's going concern status or 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 principal vendors in connection with your Company's operations. No claims were made under these guarantees during the financial year ended 31st March, 2025, and no liability remained outstanding as on 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)

During the year, your Company spent ₹ 333.90 Lakhs 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 Annual Report on CSR activities for the financial year ended 31st March, 2025, as required under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (CSR Policy) Rules, 2014, containing further details of the CSR initiatives undertaken during the year, is annexed to this Report as **Annexure II**.

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 behavior, 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 said Act oversees complaints and promotes gender sensitization. No complaints were received during the year under review.

Regular awareness programs are conducted for all employees and stakeholders. The Company affirms that no employee has been denied access to the Audit Committee during the Financial Year under review.

RELATED PARTY TRANSACTIONS

All related party transactions are placed before the Audit Committee and/or the Board on a quarterly basis for review and/or approval. Prior omnibus approval is obtained for foreseeable and repetitive transactions. 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, disclosure in Form AOC-2 under Section 134(3)(h) is not applicable for FY 2024–25 and does not form part of this Report.

Justification for Related Party Transactions

All transactions with related parties were undertaken in the ordinary course of business and on an arm's length basis, including inter-corporate loans, expense sharing, service arrangements, and guarantees availed from the Holding Company.

OTHER DISCLOSURES

a) Your Company has not issued any shares with differential voting rights or sweat equity shares during the financial year.

b) There were no applications made, nor any proceedings pending, against your Company under the Insolvency and Bankruptcy Code, 2016 during the financial year ended 31st March, 2025.

c) There were no instances during the financial year requiring valuation for one-time settlements or loan arrangements with banks/financial institutions.

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. The Board also thanks all shareholders and stakeholders for their confidence in the Company.

The Board extends special appreciation to all Sonatians for their commitment, collaboration, and perseverance, which enabled your Company to achieve consistent growth during the year.

FOR AND ON BEHALF OF THE BOARD

Samir Dhir	**Sujit Mohanty**
Director	Managing Director & CEO
DIN: 03021413	DIN: 00001404
Place: Mumbai	Place: Bengaluru

Date: 7th May, 2025

Annexure I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[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 me 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, 2025 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, 2025 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 **[Not Applicable];**

(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. 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 at its Annual General Meeting held on 5th August, 2024, has confirmed the payment of First Interim Dividend of ₹ 162.94 /- per equity share (being 1629.4% of the par value) and the Second Interim Dividend of ₹ 88.88/- per equity share, being 888.8% of the par value of ₹ 10/- each already paid, and declared additional Final Dividend of ₹ 266.63/- per equity share (i.e., 2666.3% of par value) of ₹ 10/- each to its shareholders, for the financial year ended 31st March, 2024.

We further report that during the audit period the Company has not passed any Special Resolution during the year under review.

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: F005553G000293533

Place : Bengaluru
Date : May 7, 2025

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 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
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: F005553G000293533

Place : Bengaluru
Date : May 7, 2025

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSILITY ("CSR") ACTIVITIES FOR FY 2024-25

1. **Brief outline on CSR Policy of the Company:**

   Your Company, 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 programmes directly or indirectly, that benefit the communities and society at large, over a period of time, in enhancing the quality of life & economic well-being of the local populace.

2. **Composition of CSR Committee**

   As on 31st March, 2025, the Committee comprised of the following Members:

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
1	Ms. Mona Ninad Desai*	Chairperson Independent Director	2	2
2	Ms. Radhika Rajan**	Chairperson, Independent Director	4	3
2	Mr. P. Srikar Reddy	Member	4	4
3	Mr. Sujit Mohanty	Member	4	4
4	Mr. Samir Dhir	Member	4	4

* Ms. Mona Ninad Desai was inducted as Member on 6th Nov, 2024 and appointed as its Chairperson w.e.f. 1st Apr, 2025. She attended both meetings held during her tenure.
** Ceased to be a Chairperson and Member w.e.f. 31st March 2025, due to completion of her tenure.

3. 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: https://www.sonata-software.com/sites/default/files/financial-reports/2025-04/sitlbodandcommittee.pdf

   CSR Policy: https://www.sonata-software.com/sites/default/files/financial-reports/2022-10/corporate-social-responsibility-policy.pdf

   CSR Projects: https://www.sonata-software.com/about-us/sustainability

4. Executive summary along with web-link(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): ₹ 16890.16 lakh

   (b) Two percent of average net profit of the company as per section 135(5): ₹ 337.80 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: ₹ 5.90 lakh

   (e) Total CSR obligation for the financial year (5b+5c-5d).: ₹ 331.90 lakh

6. (a) Amount spent on CSR Projects (both ongoing projects and other than Ongoing Project): ₹ 318 lakh

   (b) Amount spent in Administrative Overheads: ₹ 15.9 lakh

   (c) Amount spent on Impact Assessment, if applicable: Not Applicable

   (d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 333.9 lakh

(e) CSR amount spent or unspent for the financial year:

₹ in Lakhs

Total Amount Spent for the Financial Year (in Lacs)	Amount Unspent				
	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
₹ 333.9 lakh (inclusive of administrative overheads)	NIL	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)	337.80
(ii)	Total amount spent for the Financial Year	339.8*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.0
(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)]	2.0

*This includes amount spent for FY25 i.e., ₹ 333.9 lakhs and FY24's surplus CSR spend of ₹ 5.90 lakhs which was brought forward to FY25.

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

Yes ☐ No ☑

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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		

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): **No**

Sd/-	Sd/-
Sujit Mohanty Managing Director & CEO DIN: 00001404	**Mona Ninad Desai** Chairperson of CSR Committee DIN: 03065966
Place: Bengaluru Date: 7th May, 2025	Place: Mumbai Date: 7th May, 2025

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 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (in 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 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report 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.

2A. 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 2025 and 8 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Paragraph 2A(b) above on reporting under Section 143(3)(b) of theAct 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 2025 on its financial position in its financial statements - Refer Note 23 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 25 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 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

As stated in Note 32 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.

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

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

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

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

In the absence of sufficient and appropriate reporting on compliance with audit trail requirements in the independent auditor's report of the service organization used at the database layer level for the software relating to recording of time by the Company's resources as part of the 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 database layer for all relevant transactions recorded in such software.

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

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

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

In our opinion and according to the information and explanations given to us, the 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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN:25065155BMLBXP8945

Place: Mumbai
Date: 07 May 2025

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

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

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

(B) The Company does not hold any intangible assets, accordingly 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 materially 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 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 to M/s Sonata Software Solutions Limied (fellow subsidiary).The

aggregate amount of such loan during the year is INR 408 Lakhs and the balance outstanding as at balance sheet date is Nil.

(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 Solutions Limited (fellow subsidiary) in aggregate of INR 408 Lakhs, which was repayable on demand. The principal amount and interest were repaid on demand during the year, without any defaults. 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 party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	Related Parties
Aggregate of loans/advances in nature of loan	
- Repayable on demand	408
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 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 (Rs. 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 FY 2020-21	Deputy Commisioner of Commercial Taxes, Bangalore

*Net of amount paid under protest of Rs 2,500 lakhs.

**Net of amount paid under protest of Rs 1 lakh.

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 basis of our examination of the records of the Company, the Company has availed working capital loans of Rs 6,674 lakhs which is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given by us and basis of our examination of the records of the Company, such loans and interest thereon have been entirely repaid during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

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

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31st March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3 (ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company 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

Amrit Bhansali
Partner
Membership No.: 065155
ICAI UDIN:25065155BMLBXP8945

Place: Mumbai
Date: 07 May 2025

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

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Sonata Information Technology Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date which includes internal financial controls with reference to financial information of 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 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial 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:25065155BMLBXP8945

Place: Mumbai
Date: 07 May 2025

Balance Sheet

₹ in Lakhs

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	129	115
Right-of-use assets	34	667	742
Financial assets			
Other financial assets	4	1,371	1,944
Deferred tax assets (net)	16B	2,803	2,873
Income tax assets (net)	16A	10,775	9,326
Other non-current assets	5	315	226
Total non-current assets		**16,060**	**15,226**
Current assets			
Inventories	6	4,723	9,801
Financial assets	7		
Investments	7.1	11,573	13,853
Trade receivables	7.2	115,808	104,765
Cash and cash equivalents	7.3	17,407	10,354
Bank balances other than above	7.4	7,985	14,191
Other financial assets	7.5	2,481	3,006
Other current assets	8	1,611	884
Total current assets		**161,588**	**156,854**
Total assets		**177,648**	**172,080**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	338	338
Other equity	10	31,786	27,010
Total equity		**32,124**	**27,348**
LIABILITIES			
Non-current liabilities			
Financial liabilities	11		
Lease liabilities	11.1	470	557
Other financial liabilities	11.2	-	921
Total non-current liabilities		**470**	**1,478**
Current liabilities			
Financial liabilities	12		
Borrowings	12.1	-	4,876
Lease liabilities	12.2	294	248
Trade payables	12.3		
Total outstanding dues of micro enterprises and small enterprises		56	218
Total outstanding dues of creditors other than micro enterprises and small enterprises		136,532	121,715
Other financial liabilities	12.4	3,596	948
Other current liabilities	13	3,012	14,514
Provisions	14	83	77
Current tax liabilities (net)	15	1,481	658
Total current liabilities		**145,054**	**143,254**
Total equity and liabilities		**177,648**	**172,080**
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Samir Dhir
Director
DIN: 03021413

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Statement of Profit and Loss

₹ in Lakhs

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	17.1	734,772	595,054
Other income	17.2	4,003	6,424
Total income		**738,775**	**601,478**
EXPENSES			
Purchase of stock-in-trade (traded goods)	18.1	698,218	575,330
Changes in inventories of stock-in-trade	18.2	5,078	(6,919)
Employee benefits expense	19	7,358	6,195
Finance costs	20	630	673
Depreciation and amortization expense	21	312	234
Other expenses	22	2,974	4,040
Total expenses		**714,570**	**579,553**
Profit before tax		**24,205**	**21,925**
Tax expense			
Current tax	16A	6,056	5,790
Deferred tax	16A & 16B	146	(199)
Net tax expense		**6,202**	**5,591**
Profit for the year		**18,003**	**16,334**
Other comprehensive income			
1. Items that will not be reclassified to profit/(loss)			
(a) Remeasurement of the defined benefit plans		(20)	(98)
(b) Income tax relating to items that will not be reclassified to profit/(loss)	16A & 16B	5	25
		(15)	**(73)**
2. Items that will be reclassified to profit/(loss)			
(a) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge		(283)	349
(b) Income tax relating to items that will be reclassified to profit/(loss)	16A & 16B	71	(88)
		(212)	**261**
Total other comprehensive income for the year, net of tax		**(227)**	**188**
Total comprehensive income for the year		**17,776**	**16,522**
Earnings per share - (on ₹ 10 per share)			
Basic and Diluted ₹	31	533.39	483.91
Summary of material accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Samir Dhir
Director
DIN: 03021413

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Statement of Cash flows

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**24,205**	**21,925**
Adjustments for :		
Depreciation and amortization expense	312	234
Finance costs	630	673
Impairment loss/(gain) recognised on trade receivable	-	1,857
Provisions/ liabilities no longer required written back	(10)	(3,181)
Interest income	(2,009)	(1,862)
Net (gain) / loss on sale of fixed assets / scrapped	11	1
Net gain on investments carried at fair value through profit and loss	(1,387)	(770)
Unrealized foreign exchange (gain) / loss	169	(178)
Gain on termination of lease	(1)	(56)
Operating profit before working capital changes	**21,920**	**18,643**
Changes in operating assets and liabilities:		
Increase in trade receivables and unbilled revenue	(11,461)	(24,874)
Decrease/(increase) in inventories	5,078	(6,918)
Increase in other financial assets non-current	(8)	(49)
Decrease/(increase) in other financial assets	699	(2,618)
Increase in other non-current assets	(89)	(1)
Decrease/(increase) in other current assets	(728)	2,018
Increase in trade payables	14,802	18,699
(Decrease)/increase in other non-current financial liabilities	(921)	301
Increase in other financial liabilities	2,380	98
(Decrease)/increase in other current liabilities	(11,522)	11,094
(Decrease)/increase in provisions	6	(3)
Net cash flow from operating activities before taxes:	**20,156**	**16,390**
Income taxes paid (net of refunds)	(5,745)	(8,689)
Net cash flow from operating activities (A)	**14,411**	**7,701**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(87)	(40)
Purchase of investments	(503,455)	(429,726)
Proceeds from sale of investments	502,788	434,881
Purchase of bonds	-	(4,295)
Proceeds from sale of bonds	4,295	-
Inter corporate loans given	(408)	(250)
Inter corporate loans recovered	408	250
Investment in bank deposits	6,530	3,642
Interest received	1,360	1,780
Net cash flow from investing activities (B)	**11,431**	**6,242**

Statement of Cash flows

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,694	9,753
Repayment of short-term borrowings	(6,570)	(7,838)
Inter corporate borrowings taken	3,250	19,870
Inter corporate borrowings repaid	(3,250)	(19,870)
Payment on lease liabilities	(292)	(218)
Payment of dividend	(13,000)	(18,500)
Interest paid	(465)	(572)
Net cash used in financing activities (C)	**(18,633)**	**(17,375)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**7,209**	**(3,432)**
Opening cash and cash equivalents	10,354	13,724
Exchange difference on translation of foreign currency cash and cash equivalents	(156)	62
Closing cash and cash equivalents	**17,407**	**10,354**
Cash and cash equivalents at the end of the year comprises: (Refer note 7.3)		
Balances with banks		
In Current accounts	5,567	961
In EEFC accounts	2,335	846
In Demand deposit accounts	9,505	8,547
	17,407	**10,354**
Refer note 34 for changes in lease liabilities arising from financing activities and for non-cash financing activities		
Summary of material accounting policies refer note 2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Samir Dhir
Director
DIN: 03021413

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

Statement of Changes in Equity

(a) Equity share capital

₹ in Lakhs

Particulars (Refer note 9)	As at March 31, 2025	As at March 31, 2024
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				Effective portion of cash flow hedges	Total other equity
	Capital redemption reserve	General reserve	Retained earnings	Remea-surement of the defined benefit plans		
Balance as at April 1, 2023	**262**	**450**	**28,784**	**(255)**	**(253)**	**28,988**
Profit for the year			16,334			16,334
Other comprehensive income (net of tax)				(73)	261	188
Total comprehensive income for the year	**-**	**-**	**16,334**	**(73)**	**261**	**16,522**
Transactions with owners of the Company						
Contributions and distributions						
Payment of cash dividends			(18,500)			(18,500)
Balance as at March 31, 2024	**262**	**450**	**26,618**	**(328)**	**8**	**27,010**
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**

Refer note 10 for the nature and purpose of reserves

Summary of material accounting policies refer note 2

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, 2025

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Samir Dhir
Director
DIN: 03021413

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025

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

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, 2025.

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

2. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a. Statement of compliance

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

b. Basis of measurement

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

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

Current/ Non-current classification:

The Company classifies an asset as current asset when:

- it expects to 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 is included in the following notes:

i) Depreciation and amortisation

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

ii) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company 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)

iii) Contingent liabilities

Refer note 2.2 (q)

iv) 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)

v) Leases

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

vi) 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 machinery (Hardware)	3 years
Plant and machinery (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).

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

The Company 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 Company. Under the arrangement, a bank agrees to pay amounts to a participating vendor in respect of invoices owed by the Company and receives settlement from the Company 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 Company to a bank before their due date. The Company 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 Company 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 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 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 administers the contributions made to the Trust. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to statement of profit 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 increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

a) **Software / hardware products and licenses**

Revenues from sale of product and licenses are recognised at the point in time when the license is delivered to the customer, simultaneously with the transfer of control. In case of customization the same is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

When another party is involved in providing goods or services to the customer, the entity determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The entity determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be

provided to the customer. Company recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

b) Time and materials contracts

Revenues from contracts priced on a time and material basis are recognised as the related services are performed and related costs are incurred. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

c) Maintenance contracts

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

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

Contract assets and contract liabilities

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

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

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

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 income / expense in the statement of profit and loss.

For financial guarantee contracts held by the Company that is not an integral element of another financial instrument, the Company accounts for such a financial guarantee contract as a prepayment of the guarantee premium and a compensation right asset. Further, the Company recognizes a compensation right when it recognizes the related allowance for expected credit losses, where it is certain that the compensation will be received if the credit loss is actually suffered. The Company has presented the compensation right asset in the statement of profit and loss in the same line item as allowance for expected credit loss.

Credit impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost

are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

• significant financial difficulty of the debtor;

• it is probable that the debtor will enter bankruptcy or other financial reorganisation;

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

b) Non-financial assets

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

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

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any 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 or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

r. Contingent assets

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

s. Events after the reporting period

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

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

2.3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. Property, plant and equipment

₹ in Lakhs

	Tangible assets				
Particulars	Leasehold improvements	Plant and equipment	Office equipments	Furniture and fixtures	Total
Cost					
As at April 1, 2023	**112**	**297**	**35**	**36**	**480**
Additions	-	40	-	-	40
Disposal / Write off	-	(25)	-	-	(25)
As at March 31, 2024	**112**	**312**	**35**	**36**	**495**
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**
Accumulated depreciation					
As at April 1, 2023	**111**	**190**	**30**	**20**	**351**
Depreciation charge during the year	1	46	1	4	52
Depreciation on disposals / write off	-	(23)	-	-	(23)
As at March 31, 2024	**112**	**213**	**31**	**24**	**380**
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**
Net carrying value					
As at March 31, 2025	**-**	**115**	**4**	**10**	**129**
As at March 31, 2024	**-**	**99**	**4**	**12**	**115**

Non-current

4. Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Balance held as margin money *	1,238	1,813
Security deposits	133	131
Total	**1,371**	**1,944**

* Held as margin money by banks against bank guarantees

5. Other non-current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Prepaid expenses	13	-
Other deposits	3	3
Balances with government authorities		
Receivable from customs authority	219	219
Receivable from GST authority	79	3
Other recoverables	1	1
Total	**315**	**226**

Current

6. Inventories

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Stock-in-trade - Hardware/Software products and licenses	4,723	9,801
Total	**4,723**	**9,801**

7. Financial assets

7.1 Investments

Particulars	As at March 31, 2025		As at March 31, 2024	
	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)				
Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	-	-	642,401	2,503
Axis Overnight Fund Direct Growth	-	-	237,722	3,011
SBI Liquid Fund	-	-	52,991	2,003
Edelweiss Liquid fund	-	-	64,221	2,003
Bandhan Money Manager Fund - Direct Plan - Growth	6,711,729	2,873	-	-
LIC Liquid Fund - Direct Plan - Growth	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	-	-

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of Units	₹ in Lakhs	No of Units	₹ in Lakhs
Bandhan Fixed Maturity Plan	9,999,500	1,010	-	-
Kotak Liquid Fund - Direct Plan - Growth	13,455	705	-	-
Investments carried at amoritsed cost:				
Investments in bonds (Traded, quoted)				
8.6179% Cholamandalam Investment & Finance bonds	-	-	400	4,333
(400 bonds of ₹ 10,00,000 each)				
Total		**11,573**		**13,853**
Aggregate book value of quoted investments		11,573		13,853
Aggregate market value of quoted investments		11,573		13,853
Aggregate amount of impairment in value of investments		-		-
Investments carried at fair value through profit or loss		11,573		9,520
Investments carried at amortised cost		-		4,333

7.2 Trade receivables (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured *		
Billed		
Considered good	104,422	96,058
Less : Allowance for credit losses	(1,739)	(2,517)
Total	**102,683**	**93,541**
Trade receivables - credit impaired	238	238
Less : Allowance for credit losses	(238)	(238)
Total	-	-
Unbilled	13,125	11,224
Total	**115,808**	**104,765**

* 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 33.

Information about the Company's exposure to credit, liquidity and market risks, and impairment losses for trade receivables are included in note 26.

Trade receivables ageing schedule

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments							Total
	Unbilled	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025								
Undisputed trade receivables - considered good	-	86,997	16,039	494	853	39	-	104,422
Undisputed trade receivables - credit impaired	-	-	-	-	177	16	45	238
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(574)	(494)	(129)	(680)	(55)	(45)	(1,977)
Unbilled	13,125	-	-	-	-	-	-	13,125
Total	**13,125**	**86,423**	**15,545**	**365**	**350**	**-**	**-**	**115,808**
As at March 31, 2024								
Undisputed trade receivables - considered good	-	80,424	13,244	1,810	453	127	-	96,058
Undisputed trade receivables - credit impaired	-	-	-	62	131	45	-	238
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Less : Allowance for credit losses	-	(608)	(902)	(740)	(333)	(172)	-	(2,755)
Unbilled	11,224	-	-	-	-	-	-	11,224
Total	**11,224**	**79,816**	**12,342**	**1,132**	**251**	**-**	**-**	**104,765**

7.3 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current accounts	5,567	961
In EEFC accounts	2,335	846
In deposit accounts with original maturity of less than 3 months *	9,505	8,547
Total	**17,407**	**10,354**

* 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, 2025	As at March 31, 2024
Bank deposits with original maturity of more than three months but less than 12 months	7,200	13,957
In earmarked accounts		
Balance held as margin money *	785	234
Total	**7,985**	**14,191**

* Held as margin money by bank against bank guarantees .

7.5 Other financial assets (Carried at amortised cost, unless otherwise stated)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposits	82	-
Reimbursement of expenses recoverable from related party (Refer note 33)	118	107
Compensation right asset (Refer note 26)	1,739	2,517
Fair value of forward contracts (Refer note 25 & 26)	542	368
Other assets	-	14
Total	**2,481**	**3,006**

Information about the Company's exposure to credit and market risks, and impairment losses for other financial assets are included in note 26.

8. Other current assets

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Other deposits	174	123
Advances to employees	4	5
Prepaid expenses	85	81
Balances with government authorities		
VAT credit receivable	40	40
GST credit receivable	337	299
Other recoverables	971	336
Total	**1,611**	**884**

9. Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
10,000,000 equity shares of ₹ 10/- each	**1,000**	**1,000**
(As at March 31, 2024 - 10,000,000 equity shares of ₹ 10/- each)		
Issued		
6,000,700 equity shares of ₹ 10/- each	**600**	**600**
(As at March 31, 2024 - 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, 2024 - 3,375,394 equity shares of ₹ 10/- each)		
Total	**338**	**338**

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 reporting year**

Particulars	As at March 31, 2025		As at March 31, 2024	
	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, 2025	As at March 31, 2024
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, 2025	As at March 31, 2024
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, 2025	As at March 31, 2024
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, 2025, on account of final dividend for fiscal 2024 the Company has incurred a net cash outflow of ₹ 9,000 lakhs and interim dividend of ₹ 4,000 lakhs for fiscal 2025 (During the year ended March 31, 2024, on account of final dividend for fiscal 2023 the Company has incurred a net cash outflow of ₹ 10,000 lakhs and interim dividend of ₹ 8,500 lakhs for fiscal 2024)

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

10. Other equity

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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	26,618	28,784
Profit for the year	18,003	16,334
Less :		
Dividend	(13,000)	(18,500)
Closing balance	**31,621**	**26,618**
Retained earning comprises of the amounts that can be distributed as dividends to its equity share holders.		
Other Comprehensive Income		
Remeasurement of the defined benefit plans		
Opening balance	(328)	(255)
For the year, (net of tax)	(15)	(73)
Closing balance	**(343)**	**(328)**
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	8	(253)
Exchange differences on cash flow hedges (net of tax)	(212)	261
Closing balance	**(204)**	**8**
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	**31,786**	**27,010**

11. Non-current financial liabilities

11.1 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 34)	470	557
Total	**470**	**557**

11.2 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Other liabilities	-	921
Total	**-**	**921**

12. Current financial liabilities

12.1 Borrowings

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Term loan		
From banks - Unsecured	-	4,876
Total	**-**	**4,876**

Vendor financing arrangement was entered with the bank where loan was repayable in 4 equal instalments commencing from December 10, 2023 till September 10, 2024. It was recognized under borrowings as this provided extended payment terms beyond the normal payment terms as agreed with the vendor. The entire outstanding balance has been repaid during the year. [Refer note 2.2(e)]

12.2 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 34)	294	248
Total	**294**	**248**

12.3 Trade payables

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 24)	56	218
Total outstanding dues of creditors other than micro and small enterprises - other than acceptances	136,532	121,715
Total	**136,588**	**121,933**

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 33.

Information about the Company's exposure to credit, liquidity and market risks for trade payables are included in note 26.

Trade payables ageing schedule

₹ in Lakhs

Particulars	Outstanding for the following period from due date of payments						Total
	Accrued expenses	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
Total outstanding dues of micro enterprises and small enterprises	-	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**
As at March 31, 2024							
Total outstanding dues of micro enterprises and small enterprises	-	154	64	-	-	-	218
Total outstanding dues of creditors other than micro enterprises and small enterprises	37,313	71,038	7,140	5,009	619	596	121,715
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**37,313**	**71,192**	**7,204**	**5,009**	**619**	**596**	**121,933**

12.4 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Payable on acquisition of property, plant and equipment	7	7
Fair value of forward contracts (Refer note 25 & 26)	561	376
Reimbursable expenses payable to related party (Refer note 33)	208	565
Employee benefits payable	1,338	-
Other liabilities	1,482	-
Total	**3,596**	**948**

Information about the Company's exposure to credit, liquidity and market risks for other financial liabilities are included in note 26

13. Other current liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities	789	12,697
Gratuity payable (net) (Refer note 28)	-	87
Other payables		
Statutory remittances	1,468	1,001
Advances from customers	176	535
Others	579	194
Total	**3,012**	**14,514**

14. Provisions

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits - Compensated absences (Refer note 28)	60	77
Provision for gratuity (Refer note 28)	23	-
Total	**83**	**77**

15. Current tax liabilities (net)

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax ₹ 12,120 (for March 31, 2024 is ₹ 7,775))	1,481	658
Total	**1,481**	**658**

16A. Income taxes

The income tax asset is ₹ 10,775 Lakhs (net of provision for tax of ₹ 21,989 Lakhs) as at March 31, 2025 and ₹ 9,326 Lakhs (net of provision for tax of ₹25,013 Lakhs) as at March 31, 2024 .

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense in the statement of profit and loss consists of:		
Current Tax:		
In respect of current year	6,056	5,790
Deferred Tax:		
In respect of current year	146	(199)
Total Income tax expense recognised in the statement of profit and loss	**6,202**	**5,591**
(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	(5)	(25)
On net movement on effective portion of cash flow hedges	(71)	88
Total	**(76)**	**63**

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:

₹ in Lakhs

Profit before tax	24,205	21,925
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	6,092	5,518
Tax effect of:		
Items that are non- deductible in determining taxable profit	88	66
Income not taxable as per income tax Act, 1961	(10)	(14)
Effect relating to prior years	9	-
Others	23	21
Income tax expense recognised in the statement of profit and loss	**6,202**	**5,591**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2025 and March 31, 2024 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.

16B. Deferred tax assets (net)

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	44	(15)	-	29
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)
Others, including employee and other payables	2,671	(154)	-	2,517
Total	**2,873**	**(146)**	**76**	**2,803**

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

₹ in Lakhs

Particulars	As at April 1, 2023	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	As at March 31, 2024
Property, plant and equipment	26	(9)	-	17
Allowances for credit losses	212	(172)	-	40
Right of use assets	38	6	-	44
Defined benefit plans (Items that will not be reclassified to profit/(loss))	166	-	25	191
Fair value changes on cash flow hedges (Items that will be reclassified to profit/(loss))	(2)	-	(88)	(90)
Others, including employee and other payables	2,297	374	-	2,671
Total	**2,737**	**199**	**(63)**	**2,873**

17.1 Revenue from operations

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of software/hardware products and licenses	733,186	594,632
Software services	1,586	422
Total	**734,772**	**595,054**

Disaggregate revenue information

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

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	India	Other than India	Total	India	Other than India	Total
Revenue from software product and licenses at a point in time	599,405	133,781	733,186	482,130	112,502	594,632
Revenue from software services (over the period)						
Time and Material	629	957	1,586	422	-	422
Total	**600,034**	**134,738**	**734,772**	**482,552**	**112,502**	**595,054**

17.2 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income*	1,071	1,808
Net gain on investments carried at fair value through profit or loss	1,387	770
Net gain on derivatives carried at fair value through profit or loss	(395)	242
Net gain / (loss) on foreign currency transactions and translations	991	308
Other non-operating income		
Liabilities/provisions no longer required written back	10	3,181
Commission received	-	4
Gain on termination of Lease	1	56
Interest income on Income tax refund	938	54
Miscellaneous income	-	1
Total	**4,003**	**6,424**
*Interest income comprises of:		
Interest on bank balances and bank deposits	1,065	1,806
Interest on financial assets carried at amortised cost	6	2

18.1 Purchase of stock-in-trade (traded goods)

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of stock-in-trade (traded goods)	698,218	575,330
Total	**698,218**	**575,330**

18.2 Changes in inventories of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Stock		
Stock-in-trade - hardware/software product and licenses	9,801	2,882
	9,801	**2,882**
Closing Stock		
Stock-in-trade - hardware/software product and licenses	4,723	9,801
	4,723	**9,801**
(Increase) / decrease in inventories	**5,078**	**(6,919)**

19. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	6,915	5,761
Contributions to provident and other funds (Refer note 28)	388	371
Staff welfare expenses	55	63
Total	**7,358**	**6,195**

20. Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	16	104
Inter corporate borrowings (Refer note 33)	3	66
Lease rentals discounted (Refer note 34)	82	59
Others	83	42
Other borrowing costs	446	402
Total	**630**	**673**

21. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	62	52
Depreciation of right on use assets (Refer note 34)	250	182
Total	**312**	**234**

22. Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	13	13
Rent (includes transactions with related parties - Refer note 33)	192	77
Repairs and maintenance - Machinery	1	2
Insurance	200	75
Rates and taxes	7	232
Communication cost	31	30
Facility maintenance	98	84
Travelling and conveyance expenses	228	188
Sales commission	749	579
Professional and technical fees	287	227
Software project fees	186	-
Legal fees	2	10
Software license fees	97	10
Insourcing professional fees	183	65
Expenditure on corporate social responsibility (Refer note 30)	338	261
Payments to auditors (Refer note below)	40	28
Net loss on sale of fixed assets scrapped	11	1
Impairment loss/(gain) recognised on trade receivable	-	1,857
Miscellaneous expenses	311	301
Total	**2,974**	**4,040**
Note - Payments to auditors comprises (net of input credit):		
Statutory audit	22	20
Other services	16	7
Reimbursement of expenses	2	1
	40	**28**

23. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt		
a) Disputed demands of Income-tax	29,687	33,396
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, 2024 ₹ 4,402 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, 2024 ₹ 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. ₹ Nil (As at March 31, 2024 ₹ 4,756 lakhs) for financial years 2014-15, 2015-16, 2016-17 and 2019-20. The assessing officer has disallowed the intercompany service charges and cost for deputation of personnel. The Company has received favourable order from Honorable Commissioner of Income-tax (Appeals) and Honorable Income Tax Appellate Tribunal.

(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, 2024 ₹ 23,644 lakhs) of tax demand for the financial years 2001-02, 2002-03, 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.

ii. ₹ Nil (As at March 31, 2024 ₹ 72 lakhs) for the financial year 2014-15, 2015-16 and 2016-17. The assessing officer has disallowed payments made for purchase of software on non-deduction of tax. The Company has received favourable order from Honorable Commissioner of Income-tax (Appeals) and Honorable Income Tax Appellate Tribunal.

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.

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2025 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. This information as required under Micro, small and medium enterprises development Act, 2006 [MSMED] has been determined to the extent such parties have been identified on the basis of information available with the Company are as below:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	56	218
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

25. Financial instruments

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

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total Carrying value
Financial assets					
Security deposits	4 & 7.5	-	-	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	7.5	-	-	1,857	1,857
Forward contracts	7.5	333	209	-	542
Total		**11,906**	**209**	**144,510**	**156,625**
Financial liabilities					
Trade payables	12.3	-	-	136,588	136,588
Lease liabilities	11.1 & 12.2	-	-	764	764
Other financial liabilities	12.4	-	-	3,035	3,035
Forward contracts	12.4	34	527	-	561
Total		**34**	**527**	**140,387**	**140,948**

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

₹ in Lakhs

Particulars	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amorised cost	Total Carrying value
Financial assets					
Security deposits	4	-	-	131	131
Investments in bonds (quoted)	7.1	-	-	4,333	4,333
Investments in mutual funds (quoted)	7.1	9,520	-	-	9,520
Trade receivable	7.2	-	-	104,765	104,765
Cash and cash equivalents	7.3	-	-	10,354	10,354
Bank balances other than above	4 & 7.4	-	-	16,004	16,004
Other financial assets	7.5	-	-	2,638	2,638
Forward contracts	7.5	38	330	-	368
Total		**9,558**	**330**	**138,225**	**148,113**
Financial liabilities					
Borrowings	12.1	-	-	4,876	4,876
Trade payables	12.3	-	-	121,933	121,933
Lease liabilities	11.1 & 12.2	-	-	805	805
Other financial liabilities	12.4	-	-	1,493	1,493
Forward contracts	12.4	10	366	-	376
Total		**10**	**366**	**129,107**	**129,483**

The Management assessed that fair value of bank balances and short-term deposits, trade receivables, trade payables, borrowings, 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, 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative bank default risk. The changes in bank credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value hierarchy

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

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

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

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

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

₹ in Lakhs

Particulars	Fair value		Fair value hierarchy
	As at March 31, 2025	As at March 31, 2024	
Investments in mutual funds (quoted) - Refer note 7.1	11,573	9,520	Level 1
Foreign currency forward contracts (assets) - Refer note 7.5	542	368	Level 2
Foreign currency forward contracts (liabilities) - Refer note 12.4	561	376	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 summerizes the activities in the statement of profit and loss and other comprehensive income:

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(283)	349
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	(435)	51

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	8	(253)
Unrealized gain or (loss) on cash flow hedging derivatives during the year	152	298
Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	(435)	51
Deferred tax liability	71	(88)
Cash flow hedging reserve (net of tax)	**(204)**	**8**

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

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Designated derivative instruments (Sell):	Amount in Lakhs		₹ in Lakhs	
In USD	582	382	50,864	33,044
In GBP	90	180	9,510	18,812
In AUD	7	11	404	609

The foreign exchange forward and option contracts mature anywhere between 0-5 years. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Amount in Lakhs		₹ in Lakhs	
Designated derivative instruments (Sell):				
Less than 3 months				
In USD	343	117	29,759	9,815
In GBP	90	90	9,510	9,301
In AUD	7	7	404	402
More than 3 months				
In USD	239	265	21,105	23,229
In GBP	-	90	-	9,511
In AUD	-	4	-	207

Average rate of coverage:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount in Lakhs	Weighted average rate (₹)	Amount in Lakhs	Weighted average rate (₹)
USD	582	87.41	382	86.47
GBP	90	105.53	180	104.37
AUD	7	57.74	11	57.85

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

Particulars	Less than 6 months		6 - 12 months		More than 1 year	
	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)	Net exposure (₹ in Lakhs)	Weighted average rate (₹)
As at March 31, 2025						
USD	32,264	86.66	9,604	86.38	8,996	91.44
GBP	9,510	105.53	-	-	-	-
AUD	404	57.74	-	-	-	-
As at March 31, 2024						
USD	11,925	83.64	9,752	86.05	11,367	90.03
GBP	9,301	103.21	-	-	9,511	105.53
AUD	402	57.27	-	-	207	59.02

26. Financial risk management

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

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

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

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk 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, 2025 is considered adequate.

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customers having more than 10% of total revenue	177,796	107,124
Number of customers	2	1

Geographic concentration of credit risk

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	India	Other than India	India	Other than India
Trade receivables (Billed)	80,922	23,738	81,730	14,566
Allowance for credit loss	1,582	395	2,373	382
% of credit loss to trade receivables	1.95%	1.67%	2.90%	2.62%

Expected credit loss

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

Movement in allowances for credit losses

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,755	843
Allowance for expected credit loss (net)*	(778)	4,374
Bad debts written off during the year	-	(2,462)
Balance at the end of the year	**1,977**	**2,755**

* The Company has reversed compensation right asset amounting to ₹ 778 Lakhs against the allowance for expected credit loss. The Company has disclosed the net allowance for expected credit loss of ₹ Nil in note 22. (As at March 31, 2024: The Company has adjusted compensation right asset amounting to ₹ 2,517 Lakhs against the allowance for expected credit loss. The Company has disclosed the remaining amount of ₹ 1,857 Lakhs as allowance for expected credit loss in note 22). (Refer note 2.2 (o) for the accounting policy on compensation right assets)

Investments

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

ii) Liquidity risk

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

The Company participates in a vendor financing arrangement. While the arrangement provides for extended payment terms beyond the normal terms agreed with vendor, the programme assists in making cash outflows more predictable. (Refer note 12.1)

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 6.75% to 14.40%. The Company has availed working capital loans of ₹ 6,674 lakhs and the same have been repaid during the year. The outstanding balance as on March 31, 2025 and March 31, 2024 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, 2025	As at March 31, 2024
Cash and cash equivalents	17,407	10,354
Bank balances other than above	7,985	16,004
Investments in mutual funds (quoted)	11,573	9,520
Investments in bonds (quoted)	-	4,333
Trade receivables	115,808	104,765
Other current financial assets	1,939	2,638
Derivative financial instruments - cash flow hedge	542	368
Other current assets	1,611	884

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

₹ 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

₹ in Lakhs

Particulars	As at March 31, 2024			
	Less than 1 year	1-2 years	2 years & above	Total
Borrowings*	4,876	-	-	4,876
Trade payables	121,933	-	-	121,933
Lease liabilities	260	270	501	1,031
Other financial liabilities	572	988	-	1,560
Derivative financial instruments - cash flow hedge	376	-	-	376

* This includes vendor financing arrangement, refer note 12.1

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, 2025				For the year ending March 31, 2025		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	60,778	542	561	Fair value of forward contracts under other financial assets and other financial liabilities.	(283)	(435) (395)	Revenue from operations Other income

₹ in Lakhs

Particulars	As at March 31, 2024				For the year ending March 31, 2024		
	Nominal amount	Carrying amount		Line item in the balance sheet where the hedging instrument is located	Changes in the value of the hedging instrument recognised in OCI [gain / (loss)], net	Amount reclassified from hedging reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Forward contracts - sales & receivables	52,465	368	376	Fair value of forward contracts under other financial assets and other financial liabilities.	349	51 242	Revenue from operations 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 ₹ 608 lakhs increase and decrease in the Company's net profit as at March 31, 2025;

b) an approximately ₹ 525 lakhs increase and decrease in the Company's net profit as at March 31, 2024;

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

Exposure currency:

₹ 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**

₹ in Lakhs

As at March 31, 2024	USD	GBP	EUR	Other Currencies*
Assets				
Trade receivables	30,459	202	74	195
Cash and cash equivalents	945	31	45	114
Liabilities				
Trade payables	4,560	69	27	-
Net assets/(liabilities)	**26,844**	**164**	**92**	**309**

*Others include currencies such as Singapore Dollar and Australian Dollar.

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

₹ in Lakhs

Currencies	March 31, 2025	March 31, 2024
USD	321	268
GBP	1	2
EUR	-	1
Other currencies	-	3
Total	**322**	**274**

Interest rate risk

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

27. Capital management

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

The capital structure of the company consists of the following:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity share holders of the Company	32,124	27,348
As percentage of total capital	98%	83%
Total borrowings	-	4,876
Total lease liabilities	764	805
Total borrowings and lease liabilities	**764**	**5,681**
As a percentage of total capital	2%	17%
Total capital (borrowings and equity)	**32,888**	**33,029**

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

28. Employee benefit plans

i) Defined contribution plans

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

a) Provident fund

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

Provident fund contributions amounting to ₹ 143 lakhs (for the year ended March 31, 2024 ₹ 142 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, 2025	Year ended March 31, 2024
Superannuation (as part of contribution to provident fund and other funds in note 19 Employee benefits expense)	146	147
National Pension Scheme (as part of contribution to provident fund and other funds in note 19 Employee benefits expense)	18	17

ii) Defined benefit plans - Gratuity

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

Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

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

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

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

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

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

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

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

As per valuation

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.79%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	6.79%	7.20%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Retirement age	60 years	60 years
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Weighted Average Duration of the Defined Benefit Obligation	4 years	6 years

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

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Service cost:		
Current service cost	75	62
Net interest expense	6	3
Components of defined benefit costs recognised in statement of profit and loss	**81**	**65**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(23)	37
Actuarial (gains) / losses arising from changes in financial assumptions	22	11
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	21	50
Components of defined benefit costs recognised in other comprehensive income	**20**	**98**

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, 2025	As at March 31, 2024
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of funded defined benefit obligation	(1,155)	(996)
Fair value of plan assets	1,132	909
Net (liability) / assets arising from defined benefit obligation	**(23)**	**(87)**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	996	823
Current service cost	75	62
Interest cost	71	61
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	22	11
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	21	50
Benefits paid	(30)	(11)
Closing defined benefit obligation	**1,155**	**996**

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Movements in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	909	782
Interest income	65	58
Return on plan assets (excluding amounts included in net interest expense)	23	(37)
Contributions from the employer to Gratuity Fund	165	117
Benefits paid	(30)	(11)
Closing fair value of plan assets	**1,132**	**909**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Insurer managed funds	100%	100%
Category of funds :		
Secure fund	34.56%	33.93%
Defensive fund	30.72%	30.85%
Balanced fund	34.72%	35.22%

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(52)	57	(45)	49
Future salary growth (1% movement)	63	(58)	49	(46)
Employee turnover rate (1% movement)	3	(4)	4	(5)

The Company expects to contribute ₹ 112 lakhs to its defined benefit plans during the next fiscal year.

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

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

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

Experience adjustments

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1,155	996	823	715	406
Fair value of plan assets	1,132	909	782	702	429
Surplus / (deficit)	(23)	(87)	(41)	(12)	23
Experience adjustments on plan liabilities - (gain)/losses	21	50	53	157	17
Return on plan assets (excluding amounts included in net interest expense)	23	(37)	(142)	2	41

Maturity profile of defined benefit obligation:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	132	108
1-2 years	259	106
2-3 years	164	111
3-4 years	153	204
4-5 years	139	130
5 years and Above	839	836

The Company 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, 2025	As at March 31, 2024
Discount rate(s)	6.79%	7.20%
Expected rate(s) of salary increase	5.00%	5.00%
Employee turnover	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 10.00% p.a.
Mortality Rate	Indian assured lives mortality 2012-14	Indian assured lives mortality 2012-14
Retirement age	60 years	60 years
Leave availment (%)	2%	2%

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current liability	60	77
Present value of compensated absences	**60**	**77**

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

₹ in Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3)	3	(4)	4
Future salary growth (1% movement)	3	(3)	4	(4)
Withdrawal rate (1% movement)	(3)	4	(4)	5

Maturity profile of compensated absences:

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	9	10
1-2 years	10	9
2-3 years	9	17
3-4 years	8	8
4-5 years	6	9
5 years and above	21	30

29. Segment reporting

The Company is engaged in the business of software/hardware products and licenses including related services in India which constitutes a single business segment. The Company's operations outside India did not exceed the quantitative threshold for disclosure envisaged in Ind AS 108.

In view of the above, primary and secondary reporting disclosures for business /geographical segments, as envisaged in Ind AS 108 are not applicable to the Company. Non-current assets are substantially situated in India.

30. 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 during the year is ₹ 338 lakhs (Previous Year is ₹ 264 lakhs).

(ii) Amount spent during the year is ₹ 334 lakhs (Previous year is ₹ 267 lakhs)

₹ in Lakhs

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purposes other than above	334	-	334	267	-	267
Total	**334**	**-**	**334**	**267**	**-**	**267**

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

(iv) Excess amount spent:

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	(6)	(3)
Add: Amount required to be spent during the year	338	264
Less: Amount spent during the year	334	267
Closing balance [short / (excess) spent]	**(2)**	**(6)**

31. Earnings per share

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

₹ in Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax attributable to equity shareholders (a)	18,003	16,334
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)	**533.39**	**483.91**
Diluted earning per share (a/c) (₹ in INR)	**533.39**	**483.91**

32. Distributions made and proposed (Refer note 9 & 10):

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), which is subject to approval of shareholders. 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).

The Board of Directors at their meeting held on May 07, 2024 had declared final dividend of 2666.4 % (₹ 266.64 per equity share of par value of ₹ 10 each). The Board of Directors at their meeting held on October 25, 2023 had declared an interim dividend of 1629.4% (₹ 162.94 per equity share of par value of ₹ 10 each). The Board of Directors at their meeting held on January 28, 2024 had declared an Interim dividend of 888.8% (₹ 88.88 per equity share of par value of ₹ 10 each).

33. 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
	Quant Cloud Solutions Private Limited
	Gapbuster Worldwide Pty Ltd
	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 28)	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
	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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue from Software products and licenses						
Sonata Software Limited	4,201	10,273				
Sonata Software North America Inc.			223	3		
Quant Cloud Solutions Private Limited			38	35		
Sonata Software Solutions Limited			-	30		
Encore IT Services Solutions Private Limited			24	-		
Gapbuster Worldwide Pty Ltd			-	18		
Rendering of Service						
Sonata Software North America Inc.			289	-		
Purchase of Software products, licenses and project fees						
Sonata Software Limited	58	-				
Sonata Software North America Inc.			179	-		
Rent paid						
Sonata Software Limited	52	107				
Inter corporate borrowings taken						
Sonata Software Limited	3,250	14,570				
Sonata Software Solutions Limited			-	5,300		
Inter corporate borrowings repaid						
Sonata Software Limited	3,250	14,570				
Sonata Software Solutions Limited			-	5,300		

₹ in Lakhs

Particulars	Holding Company		Fellow Subsidiary		KMP	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Inter corporate borrowings given						
Sonata Software Solutions Limited			408	250		
Inter corporate borrowings recovered						
Sonata Software Solutions Limited			408	250		
Interest expense on inter corporate borrowings						
Sonata Software Limited	3	38				
Sonata Software Solutions Limited			-	28		
Interest Income on inter corporate borrowings						
Sonata Software Solutions Limited			2	1		
Dividend paid						
Sonata Software Limited	13,000	18,500				
Commission on corporate guarantees						
Sonata Software Limited	343	337				
Reimbursement of expenses paid						
Sonata Software Limited	208	199				
Sonata Software North America Inc.			75	239		
Reimbursement of expenses Received						
Sonata Software Limited	-	11				
Sonata Software Intercontinental Limited			-	-		
Sonata Software North America Inc.			-	1		
Sonata Software Solutions Limited			-	27		
Encore IT Services Solutions Private Limited			-	69		
Sonata Europe Limited			-	76		
Compensation of key management personnel of the Company						
Short-term employee benefits[2]					330	191
Long-term employee benefits					-	65
Others					2	2
Balances outstanding at the end of the year						
Trade Receivables						
Sonata Software Limited	3,100	4,057				
Sonata Software North America Inc.			163	1		
Trade Payables						
Sonata Software Limited	51	-				
Sonata Software North America Inc.			178	-		
Reimbursement of expenses payable						
Sonata Software Limited	177	158				
Sonata Software North America Inc.			31	264		

₹ in Lakhs

Particulars	Holding Company		Fellow Subsidiary		KMP	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sonata Europe Limited			-	140		
Sonata Software Solutions Limited			-	3		
Reimbursement of expenses receivable						
Sonata Software Limited	25	24				
Sonata Software Intercontinental Limited			8	7		
Sonata Europe Limited			80	76		
Sonata Software Solutions Limited			5	-		
Corporate guarantees taken						
Sonata Software Limited[1]	34,685	33,860				
Payable to key management personnel of the Company						
Short-term employee benefits[2]					531	86
Long-term employee benefits					-	65

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, 2025	As at March 31, 2024
1) Sonata Software Solutions Limited		
Outstanding balance as on date	-	-
Maximum amount outstanding during the year	150	250

Terms and conditions with related party:

1. The sales, purchases, loans given and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Inter corporate deposits availed and given are unsecured, repayable on demand in cash, at an interest rate ranges between 8.5% - 9.9%. Inter corporate loans represent amounts lent to the fellow subsidiary for meeting working capital requirements. The loan has been completely repaid during the year.
3. Commission on corporate guarantee is paid at 1%
4. Outstanding balance at year end are unsecured and settlement occurs in cash.

34. Leases

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

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
	Buildings	Buildings
Balance at the beginning	742	298
Additions	187	734
Deletions	(12)	(108)
Depreciation for the year	(250)	(182)
Balance at the end of the year	**667**	**742**

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	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning	805	403
Non-cash changes		
Additions	182	725
Finance cost accrued during the year	82	59
Deletions	(13)	(164)
Cash changes		
Payment of lease liabilities	**(292)**	**(218)**
Balance at the end of the year	**764**	**805**

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	294	248
Non-current lease liabilities	470	557
Total	**764**	**805**

Contractual maturities of lease liabilities

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

₹ in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	309	260
Later than one year and not later than 5 years	475	557
Later than 5 years	172	214

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

₹ in Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance cost on lease liabilities during the year (Refer note 20)	82	59
Depreciation on ROU assets (Refer note 21)	250	182
Rent expense pertaining to short-term lease (Refer note 22)*	192	77
Total	**524**	**318**

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

35. The table below provides financial ratios:

Ratio/Measure	Methodology	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance
Current ratio	Current assets over current liabilities	1.11	1.09	1.74%
Debt-equity ratio[1]	Debt over total shareholders equity	0.02	0.21	(88.55%)
Debt service coverage ratio[2]	EBITDA over current debt	27.22	3.94	590.99%
Return on equity ratio	PAT over total average equity	0.61	0.58	5.03%
Trade receivable turnover ratio	Revenue from operations over trade receivables	6.66	5.68	17.30%
Trade payable turnover ratio	Adjusted expenses over trade payables	5.52	4.75	16.20%
Net capital turnover ratio[3]	Revenue from operations over working capital	41.34	31.78	30.07%
Net profit ratio	Net profit over revenue	0.02	0.03	(10.74%)
Return on capital employed	EBIT over capital employed	0.76	0.68	10.37%
Return on investment	Interest income, net gain on sale of investments and net fair value gain & dividend income over weighted average investments.	0.13	0.10	23.16%

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 Debt equity ratio is reduced due to complete repayment of vendor financing arrangement during the financial year 2024-25

2 Debt service coverage ratio is increased on account of complete repayment of vendor financing arrangement during the financial year 2024-25

3 Net capital turnover ratio is increased on account of increase in revenue during the financial year March 31, 2025

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

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

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

(ii) The Company does not have any charges or satisfaction which is yet to be registered with 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 2025.

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155

Place: Mumbai
Date : May 07, 2025

For and on behalf of the Board of Directors of Sonata Information Technology Limited
CIN: U72300MH2000PLC127476

Sujit Mohanty
Managing Director & CEO
DIN: 00001404

Samir Dhir
Director
DIN: 03021413

Vivek Kumar
Company Secretary

Place: Bengaluru
Date : May 07, 2025

Place: Mumbai
Date : May 07, 2025



NOTICE

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 THIRTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting (**"AGM"**) of the Members of **SONATA SOFTWARE LIMITED** will be held on Thursday, 31st July, 2025, at 4:00 p.m. (IST) through video conference ("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, 2025.**

   To receive, consider, approve, and adopt the following:

   (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2025 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, 2025 together with the report of the Auditors' thereon.

2. **Declaration of dividend**

   To declare Final Dividend of ₹ 4.40/- (Four Rupees & Forty Paisa only) per equity share of par value of ₹ 1/- each for the Financial Year ended 31st March, 2025.

3. **Appointment of Mr. Viren Raheja as a Director liable to retire by rotation.**

   To appoint a director in place of Mr. Viren Raheja (DIN: 00037592), 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. Viren Raheja (DIN: 00037592), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation."

SPECIAL BUSINESS

4. **Appointment of M/s. GDR & Partners LLP, as the Secretarial Auditors of the Company.**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 204 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder and Regulation 24A and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and based on the recommendation of the Audit Committee of the Board and that of the Board of Directors, M/s GDR & Partners LLP, Company Secretaries, holding ICSI Firm Registration Number: L2024KR016500 be and are hereby appointed as Secretarial Auditors of the Company, to hold office for a period of five (5) years from the conclusion of Thirtieth (30th) Annual General Meeting until the conclusion of the Thirty Fifth (35th) Annual General Meeting of the Company to be held in the calendar year 2030 and that the Board of Directors be and are hereby authorised to fix the remuneration from time to time as may be recommended by the Audit Committee in consultation with the Secretarial Auditors.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By Order of the Board of Directors
For **SONATA SOFTWARE LIMITED**

Place: Mumbai
Date: 7th May, 2025

Mangal Krishnarao Kulkarni
Company Secretary

NOTES:

1. Pursuant to the General Circular No. 09/2024 dated 19th September, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by SEBI (hereinafter collectively referred to as "the 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, 30th 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 2024-25 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 2024-25 will also be available on the Company's website at www.sonata-software.com, 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 2024-25 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 Explanatory Statement pursuant to Section 102 of the Act, as amended, setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India – SS 2, in respect of Director seeking re-appointment at this AGM is also annexed. Requisite declaration has been received from the Director seeking re-appointment.

5. 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.

6. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. 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.

8. 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 to mvbhatcs@gmail.com with a copy marked to evoting@nsdl.co.in.

   Institutional 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.

9. The Company has fixed Wednesday, 23rd July, 2025 as the 'Record Date' and the Register of Members of the Company will be closed from Thursday, 24th July, 2025 to Wednesday, 30th July, 2025 (both dates inclusive) for determining entitlement of members to final dividend for the financial year ended 31st March, 2025, if approved at the AGM.

10. The final dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2025, 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 23rd July, 2025 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 23rd July, 2025.

11. 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., 23rd July, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. or RTA.

12. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ('TDS') from dividend paid to shareholders at the prescribed rates in the Income Tax Act, 1961 ('the IT Act'). 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. 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, 2025. 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 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, 2025.

    For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Company's website at https://www.sonata-software.com/about-us/investor-relations.

13. 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.

14. 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.

15. 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 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website https://www.sonata-software.com/about-us/investor-relations.

    To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD1/P/CIR/2023/181 dated 17th November, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

16. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies 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 https://www.sonata-software.com/about-us/investor-relations and on the website of the Company's Registrar and 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.

17. 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 dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or KFin, for assistance in this regard.

18. 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.

19. 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 https://www.sonata-software.com/about-us/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.

20. 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, 2025. Members seeking to inspect such documents can send an email to investor@sonata-software.com.

21. 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).

22. 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.

23. 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.

24. 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 2017-18 shall become due for transfer to IEPF on 11th September, 2025 and Interim Dividend for the Financial Year ended 2018-19 shall become due for transfer to IEPF on 1st December, 2025.

25. Members may kindly note that in accordance with SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 for Online Dispute Resolution dated 31st July, 2023, 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, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

26. 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 II annexed to this Notice.

27. The Board of Directors have appointed Mr. M V Bhat, Practicing Company Secretary (FCS - 12261/ CoP No.- 19221), as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4: Appointment of M/s. GDR & Partners LLP, as the Secretarial Auditors of the Company for a period of five (5) years.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 and other applicable provisions of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on recommendation of the Audit Committee of the Board, the Board of Directors at its meeting held on 7th May, 2025, has approved the appointment of M/s GDR & Partners LLP, Company Secretaries holding ICSI Firm Registration Number: L2024KR016500 as Secretarial Auditors of the Company, to hold office for a period of five (5) years, to conduct the Secretarial Audit from the Financial Year 2025-26 till 2029-2030, subject to approval of the Members.

Further, M/s GDR & Partners, LLP have provided their consent to the said appointment and have confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of relevant provisions of the Companies Act, 2013, Regulation 24A of the Listing Regulations and that of Companies Secretaries Act, 1980. The services to be rendered by GDR & Partners LLP as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31st December, 2024.

The proposed fees in connection with the secretarial audit shall be Rs. 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and other out-of-pocket expenses for FY 2026, and for subsequent year(s) of their term, such fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors. In addition to the secretarial audit, M/s GDR & Partners, LLP shall provide such other services in the nature of certifications and other permissible professional services as required from time to time, for which they will be remunerated separately on mutually agreed terms, with applicable approvals.

Brief Profile: M/s GDR & Partners, a firm of Company Secretaries, is engaged in providing advisory to the corporates, non-corporate entities, institutions and entrepreneurs in the areas of Corporate and Commercial Laws, India Entry Services, Corporate Restructuring, Insolvency & Bankruptcy, Contract Management, Labour and Industrial Laws and other allied services. GDR serves start-ups, small, medium and large business enterprises, Private equity investors, Domestic & Foreign Institutional Investors. It is promoted by seasoned professionals and is managed with highest degree of professionalism with diversified and extensive experience in related areas.

Based on the recommendation of the Audit Committee, the Board of Directors have approved and recommended the Ordinary Resolution as set out in Item No. 4 of this Notice for the approval of members taking into account the eligibility of the firm's qualification, experience, independent assessment & expertise of the firm in providing secretarial audit-related services.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 4 of this Notice.

Annexure A

Details of Directors seeking re-appointment at the 30th Annual General Meeting to be held on 31st July, 2025

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Viren Raheja (DIN: 00037592)
Age	41 years
Date of appointment	17/04/2008
Relationship with Directors and Key Managerial Personnel	None
Experience / Expertise in specific functional areas	✓ Corporate Governance ✓ Technology ✓ International Business ✓ Behavioral Science ✓ Finance, Tax, Law and Strategy Management
Brief Profile of Director(s)	He is a Non-executive Promoter Director of Sonata Software Limited. He is a Director in several companies: Hathway Cable & Datacom Ltd, Asianet Satellite Communications Ltd., Windsor Realty Private Limited, Innovassynth Technologies (India) Ltd etc. He holds a bachelor's degree in commerce from Mumbai University. He has passed all 3 levels leading to the CFA charter and has an MBA degree from London Business School.
Qualification(s)	✓ Bachelor's degree in commerce from the Mumbai University ✓ MBA from the London Business School ✓ Cleared all 3 levels leading to the CFA charter
Date of first appointment on the Board	17/04/2008
Terms and Conditions of re-appointment	Proposed to be re-appointed as Non-Executive Director liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013
Number of Meetings of Board attended during the FY 2024-25	5 out of 5
Directorship, Committee Chairmanship/ Membership in other public companies	**Directorship:** 1. Hathway Cable & Datacom Limited 2. Asianet Satellite Communications Limited 3. Innovassynth Technologies (India) Ltd. **Committee Chairmanship:** **1. Hathway Cable & Datacom Limited** ✓ Corporate Social Responsibility Committee ✓ Administrative Cum Regulatory Committee ✓ Business Responsibility and Sustainability Committee **Committee Membership:** **1. Hathway Cable & Datacom Limited** ✓ Audit Committee ✓ Stakeholders' Relationship Committee ✓ Nomination and Remuneration Committee ✓ Investment and Loan Committee **2. Asianet Satellite Communications Limited** ✓ Audit Committee ✓ Nomination and Remuneration Committee
Remuneration paid/payable for FY 2024-25	As stated in Corporate Governance Report of this Annual Report
Details of remuneration sought to be paid	He will be paid sitting fees for attending the Board and Committee meetings and commission as per approved terms
Resignations in Listed Companies in past 3 years	Nil
Shareholding of directors in the listed entity, including shareholding as a beneficial owner.	2,20,00,000

ANNEXURE II TO THE NOTICE

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

The remote e-voting period begins on Sunday, 27th July, 2025 at 09:00 A.M. (IST) and ends on Wednesday, 30th July, 2025 at 05:00 P.M. (IST). 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. 23rd July, 2025, 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 23rd July, 2025.

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.
4. 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.

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

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 M V Bhat at mvbhatcs@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.

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.

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

Any person holding shares in physical form

and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 23rd July, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022-4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 23rd July, 2025 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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.

THE 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, 2025 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, 2025

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.

Glossary

AI: Artificial Intelligence
BFSI: Banking, Financial Services and Insurance
CCoE: Cloud Center of Excellence
CoE: Center of Excellence
CI/CD: Continuous Integration and Continuous Delivery
CIO: Chief Information Officer
CRM: Customer Relationship Management
CSAT: Customer Satisfaction
CX: Customer Experience
CY: Calendar Year
D&I: Diversity and Inclusivity
ERP: Enterprise Resource Planning
ESG: Environmental, Social, and Governance
FY: Financial Year
GCC: Global Capability Centres
Gen AI: Generative AI
GIC: Global In-house Centre
HLS: Healthcare and Life Sciences
IISc: Indian Institute of Science
ITeS: IT Enabled Services
KT: Knowledge Transfer
LLMs: Large Language Models
LOBs: Line of Business
MS: Microsoft
NPS: Net Promoter Score
PACE: Performance And Career Enablement
POSH: Prevention of Sexual Harassment.
RMD: Retail, Manufacturing and Distribution
RPA: Robotic Process Automation
SEM: Sonata Experience Management
SIEM: Security Information and Event Management
SITL: Sonata Information Technology Limited
SOC: Security Operation Centre
TMT: Technology, Media and Telecom


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