

INDEPENDENT AUDITOR'S REPORT

To the Members of ESDS Software Solution Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ESDS Software Solution Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("ICAI") 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the financial information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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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. The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors is 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes 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 standalone financial statement 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 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 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matters:

The standalone financial statements of the Company for the year ended March 31, 2025, were audited by previous auditor whose report dated August 12, 2025 expressed an unmodified opinion on those statements.



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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 sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought 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:
 - (i) in the absence of sufficient appropriate audit evidence with respect to one accounting software being used for the purpose of billing and managing customer records, we are unable to comment whether back-up of the books of account and other books and papers maintained in electronic mode, have been kept in servers physically located in India on a daily basis, and
 - (ii) for the matter stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (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 maintained for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g)
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. To the best of our knowledge and belief, 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 or entity, 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.
- b. To the best of our knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, 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.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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 (a) and (b) above, contain any material mis-statement.
- iv. The Company has not declared or paid any dividend during the year, therefore the provisions of the section 123 of the Act is not applicable.
- v. In regard to the accounting software:

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level to log any direct data changes. Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in those years.

In regard to the payroll software:

Based on our examination, which included test checks, the Company has used an accounting software for processing / maintenance of payroll records, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being



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tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

In regard to the software used for the purpose of billing and managing customer records:

Based on our examination which included test checks, the Company has used an accounting software for billing and managing customer records. However, in the absence of sufficient and appropriate audit evidence, we are unable to comment whether such software has a feature of recording audit trail (edit log) facility, and whether the audit trail feature has been operated throughout the year for all relevant transaction recorded in the software. Further, we are also unable to comment whether there is any instance of audit trail feature being tampered with or whether the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention for reason explained above.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number - 001595S/S000168


Yogesh Yewale

Partner

Membership No.: 158877

UDIN: 26158877NMOBQL4142

Place: Pune

Date: May 27, 2026



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION LIMITED

Auditor's Responsibilities for the Audit of the 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 standalone 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 management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.



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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.

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number - 0015955/S000168


Yogesh Yewale
Partner
Membership No.: 158877
UDIN: 26158877NMOBQL4142
Place: Pune
Date: May 27, 2026



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right-of-use assets
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment have been physically verified by Management during the year. 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 properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from Banks on the basis of security of current assets. Refer note 42 to the financial statements.

Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns / statements filed with such Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

Month Ended	FSA	Amount as per books of accounts	Amount as per monthly return/statement	Discrepancy	Reasons
June 30, 2025	Trade Receivables	648.76 Mn	674.41 Mn	(25.65) Mn	This is due to quarterly adjustment entries posted.



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September 30, 2025	Trade Receivables	528.92 Mn	526.99 Mn	1.93 Mn	This is due to quarterly adjustment entries posted.
December 31, 2025	Trade Receivables	589.39 Mn	582.39 Mn	7.00 Mn	This is due to quarterly adjustment entries posted.
March 31, 2026	Trade Receivables	711.26 Mn	806.95 Mn	(95.69) Mn	This is due to quarterly adjustment entries posted.

#Receivables reported above relate to balances outstanding for less than 120 days

- iii. (a) According to the information and explanations provided to us, the Company has provided loans to other entities.

(A) The details of such loans to subsidiaries are as follows:

Particulars	Loans (In Mn)
Aggregate amount granted/provided during the year	
- Subsidiaries	Nil
Balance Outstanding as at balance sheet date in respect of above cases	42.94
- Subsidiaries	

(B) There are no loans or advances and guarantees or security to parties other than subsidiaries.

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, and terms and conditions in relation to grant of all loans and investments made are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- (d) 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 amounts overdue for more than ninety days in respect of the loans and/ or advances in the nature of loans, granted to Company.
- (e) According to the information and explanations provided to us, there were no loans or advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loan given to the same parties.
- (f) According to the information and explanations provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year.



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Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans and investments made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been slight delays in a few cases. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, statutory dues as referred to in sub-clause(a) above which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax	Disputed Statutory Dues (ITC)	2.96 Mn	FY 2020-21	The Commissioner- CGST	NA
Goods and Service Tax	Disputed Statutory Dues (ITC)	11.32 Mn	FY 2019-20 & FY 2020-21	The Commissioner- CGST	NA
Goods and Service Tax	Disputed Statutory Dues (ITC)	18.61 Mn	FY 2019-20	Assistant Commissioner of State Tax- Investigation	NA
Goods and Service Tax	Disputed Statutory Dues (ITC)	4.40 Mn	FY 2020-21	Assistant Commissioner of State Tax- Investigation	NA

- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the



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requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by 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 utilised 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 an any entity or person on account of or to meet the obligations of its subsidiaries.
- (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. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of 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. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with



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Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. (a) In our opinion and based on our examination, 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 the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is 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 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 41 to the financial statements), 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 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. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 38 to the standalone financial statements.



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(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 38 to the standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 001595S/S000168


Yogesh Yewale

Partner

Membership No.: 158877

UDIN: 26158877NMOBQL4142

Place: Pune

Date: May 27, 2026



ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION LIMITED

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **ESDS Software Solution Limited** on the Standalone Financial Statements for the year ended March 31, 2026

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of ESDS Software Solution Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

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

Management's and Board of Director's Responsibility 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 control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. 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.

Auditors' Responsibility

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



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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 standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

For M S K C & Associates LLP
Chartered Accountants

ICAI Firm Registration Number - 0015955/S000168


Yogesh Yewale

Partner

Membership No. 158877

UDIN: 26158877NMOBQL4142

Place: Pune

Date: May 27, 2026



Sr. no	Particulars	Note	March 31, 2026	March 31, 2025
I	ASSETS			
	I. Non-current assets			
	Property, plant and equipment	3	3,164.12	2,849.96
	Right-of-use assets	4	584.41	662.43
	Capital work-in-progress	5	39.92	
	Other intangible assets	6	130.35	12.70
	Financial Assets			
	Investments	7	431.91	429.22
	Other financial assets	8	194.23	185.86
	Income tax assets (net)	9	23.60	23.60
	Other non-current assets	10	63.26	33.61
	Total non-current assets		4,631.80	4,197.38
	II. Current assets			
	Financial assets			
	Trade receivables			
	Billed	11	913.28	984.93
	Unbilled	11	554.70	432.22
	Cash and cash equivalents	12	38.69	190.48
	Other financial assets	8	498.09	759.99
	Other current assets	13	494.37	342.36
	Total current assets		2,499.13	2,709.98
	Total assets		7,130.93	6,907.36
II	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	14	100.43	100.43
	Other equity			
	Reserves and surplus	15	5,099.57	4,431.21
	Total equity		5,200.00	4,531.64
	LIABILITIES			
	I. Non-current liabilities			
	Financial liabilities			
	Non-current borrowings	16	284.17	405.97
	Lease liabilities	4	375.81	499.89
	Employee benefit obligations	18	79.88	93.07
	Deferred tax Liability (net)	22	148.93	119.96
	Total non-current liabilities		888.79	1,118.89
	II. Current liabilities			
	Financial liabilities			
	Current borrowings	16	145.00	221.16
	Lease liabilities	4	159.72	140.40
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	19	18.17	27.68
	Total outstanding dues of creditors other than micro enterprises and small	19	360.88	255.42
	Other financial liabilities	17	111.03	392.94
	Employee benefit obligations	18	23.08	51.60
	Current tax liabilities (net)	20	49.62	25.00
	Other current liabilities	20a	174.64	142.63
	Total current liabilities		1,042.14	1,256.83
	Total liabilities		1,930.93	2,375.72
	Total equity and liabilities		7,130.93	6,907.36

Material accounting policies
The accompanying notes form an integral part of standalone financial statements.

2

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No: 001500S/S000168

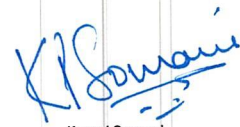

Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026

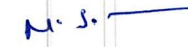


For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026


Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026


Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026


Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

Sr. no	Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
	Revenue from operations	23	3,781.17	3,574.28
	Other income	24	91.68	161.05
I	Total income		3,872.85	3,735.33
	Expenses			
	Employee benefits expense	25	928.10	937.37
	Finance costs	26	117.90	218.63
	Depreciation and amortisation expenses	27	634.58	607.43
	Other expenses	28	1,285.57	1,098.34
II	Total expenses		2,966.15	2,861.77
	Profit before exceptional items		906.70	873.56
	Exceptional Items			
	Rates and Taxes		-	1.41
III	Profit before tax (I - II)		906.70	872.15
	Income tax expense			
	Current tax	21	252.56	245.55
	Less: MAT credit entitlement			(73.92)
	Prior year taxes		36.38	-
	Deferred tax	22	(3.73)	92.95
IV	Total income tax expense		285.21	264.58
V	Profit for the year [A] (III - IV)		621.49	607.57
	Other comprehensive income			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurement of post-employment defined benefit	31	10.00	(3.02)
	Income tax relating to above		(2.52)	0.84
			7.48	(2.18)
VI	Total other comprehensive income for the year, net of tax [B]		7.48	(2.18)
	Total comprehensive income for the year [A+B]		628.97	605.40
	Earnings per equity share of Rs. 1 each (INR)	29		
	Basic (in INR)		6.19	6.37
	Diluted (in INR)		6.08	6.37

Material accounting policies

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

2

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No. U72200MH2005PLC155433


Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026

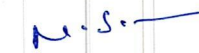


For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN : 02357582
Place: Nashik
Date: May 27, 2026


Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026


Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026


Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited
Statement of Standalone Cashflows for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

Sr. no	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
I	Cash flows from operating activities		
	Profit / (loss) before tax	906.70	872.15
	Adjustments for		
	Depreciation and amortisation expense	634.58	607.43
	Gain on sale of property, plant and equipment	(3.74)	(0.78)
	Expected credit loss allowance	24.37	99.27
	Balances written back	(8.05)	(1.82)
	Interest income	(31.72)	(39.28)
	Finance costs excluding bank charges	108.26	218.63
	Unrealised gain on mutual fund	(2.69)	-
	Re-statement of foreign currency gain on loan to subsidiary	(13.15)	-
	Employee stock option expenses	46.14	2.25
	Unrealised exchange (gain)/loss	(1.11)	9.03
	Cessation of lease liabilities	1.44	(104.93)
	Operating profit before working capital changes	1,661.03	1,661.95
	Changes in working capital		
	(Increase) / decrease in trade receivables	(74.55)	(335.46)
	(Increase)/ decrease in current and non current financial assets	15.90	(268.08)
	(Increase) / decrease in other current and non-current assets	(205.45)	(195.91)
	Increase / (decrease) in trade payables	104.00	57.90
	(Increase)/ decrease in other financial liabilities	0.95	291.77
	Increase / (decrease) in employee benefit obligations	(32.90)	18.73
	Increase/ (decrease) in other current and non current liabilities	32.02	60.21
	Cash generated from operations	1,501.00	1,291.11
	Income taxes paid (net of refunds received)	(236.64)	(69.35)
	Net cash inflow/ (outflow) from operating activities	1,264.36	1,221.76
II	Cash flows from Investing activities		
	Payments for property, plant and equipment and intangible assets	(1,258.92)	(1,136.00)
	Investment in fixed deposits with bank (net)	(110.30)	-
	Proceeds from sale of property, plant and equipment and intangible assets	7.43	1.78
	Proceeds from loans provided to subsidiary and interest thereon	363.39	-
	Interest received on fixed deposits	29.41	39.28
	Net cash flows from Investing activities	(968.99)	(1,094.94)
III	Cash flows from financing activities		
	Repayment of long term borrowing (excluding lease liabilities)	(167.49)	(441.76)
	Repayment of short term borrowing (excluding lease liabilities)	(30.47)	(85.52)
	Payment of Lease liabilities	(195.53)	(226.82)
	Interest paid on borrowings	(53.67)	(136.99)
	Fresh issue of equity shares	-	1,370.87
	Sale of Shares in subsidiary company	-	0.09
	Investment in subsidiary Company	-	(386.19)
	Investment in mutual funds	-	(42.76)
	Net cash inflows/ (outflow) from financing activities	(447.16)	50.92
IV	Net increase / (decrease) in cash and cash equivalents	(151.79)	177.74
	Cash and cash equivalents at the beginning of the year	190.48	12.74
V	Cash and cash equivalents at the end of the year	38.69	190.48

Reconciliation of cash and cash equivalents as per the cash flow statement:

Particulars	March 31, 2026	March 31, 2025
Cash and cash equivalents (Note 12)	38.69	190.48
Balances as per statement of cash flows	38.69	190.48

Material accounting policies (refer note 2)
The accompanying notes form an integral part of standalone financial statements.
Refer note 4 for cash and non-cash movement of financing activity.

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No. 201595S/S000168


Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026

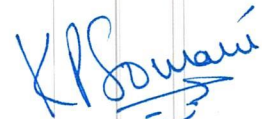


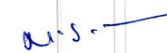
For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date: May 27, 2026



Prasad Deokar
Company secretary and compliance officer
M No:A34350
Place: Nashik
Date: May 27, 2026


Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026


Nadukuru Sita Ramalah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited
Statement of Changes in Equity for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

A. Equity share capital

Equity shares of Rs.1 each issued, subscribed and fully paid up

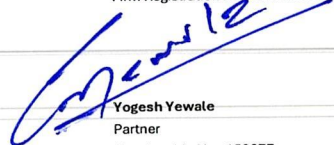
Particulars	Total
As at March 31, 2024	92.90
Add: Issue of equity shares	7.53
As at March 31, 2025	100.43
Add: Issue of equity shares	-
As at March 31, 2026	100.43

B. Other equity

Particulars	Reserves and surplus						Other comprehensive income	Total other equity
	Securities premium	Capital redemption reserve	Debenture Redemption Reserve	Retained earnings	Revaluation reserve	Share based payment reserve	Remeasurement of defined benefit liability	
As at March 31, 2024	1,704.10	3.58	75.00	570.21	100.89	16.07	(9.62)	2,460.23
Profit for the year	-	-	-	607.57	-	-	-	607.57
Other comprehensive Income	-	-	-	-	-	-	(2.18)	(2.18)
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	-	-	-	2.50	(2.50)	-	-	-
Employee stock option expense for the year	-	-	-	-	-	2.25	-	2.25
Securities Premium on account issue of equity shares	1,404.84	-	-	-	-	-	-	1,404.84
Equity Cost	(41.50)	-	-	-	-	-	-	(41.50)
Transferred to Retained Earnings	-	-	(75.00)	75.00	-	-	-	-
As at March 31, 2025	3,067.44	3.58	-	1,255.28	98.39	18.32	(11.80)	4,431.21
Profit for the year	-	-	-	621.49	-	-	-	621.49
Other comprehensive Income	-	-	-	-	-	-	7.48	7.48
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred to retained earnings	-	-	-	-	(3.06)	-	-	(3.06)
Deferred Tax on revaluation	-	-	-	-	(5.02)	-	-	(5.02)
Employee stock option expense for the year	-	-	-	-	-	47.47	-	47.47
Transfer to /(from) share based payment reserve	-	-	-	11.20	-	(11.20)	-	-
As at March 31, 2026	3,067.44	3.58	-	1,887.97	90.31	54.59	(4.32)	5,099.57

Material accounting policies (refer note 2)
The accompanying notes form an integral part of standalone financial statements.

As per our report attached of even date
For MS K C & Associates LLP
Chartered Accountants
Firm Registration No: 001595/S/000168

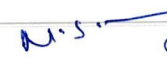

Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026



For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN : 02357582
Place: Nashik
Date: May 27, 2026


Komal Somani
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Date: May 27, 2026


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Place: Nashik
Date: May 27, 2026


Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

1. Reporting entity

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited) ('ESDS' or the 'Company') incorporated on August 18, 2005, is engaged in providing IT enabled services (Infrastructure as a service, software as a service and managed services) and supply of IT enabled products closely connected with the rendering of the IT enabled services.

The Company has its registered office in Nashik and runs its business operations in five cities i.e Nashik, Mumbai, Bengaluru, Noida and Mohali.

The Board of Directors approved the financial statements for the year ended March 31, 2026 on May 27, 2026.

2(a) Basis of preparation of Financial Statements

(i) Statement of compliance and basis of Preparation

The financial statements ("the Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Details of the Company's material accounting policies are included in Note 2(c).

(ii) Functional and presentation currency

These Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million to two decimal points, unless otherwise indicated.

(iii) Basis of measurement

The Financial Statements have been prepared on a historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined benefit plans	Plan assets measured at fair value



(iv) Critical accounting judgements and key sources of estimation uncertainty

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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 recognised in the Financial Statements are included in the following notes:

a) Critical Accounting Estimates

- Note 32 – The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2(c).
- Note 3 - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. The policy for the same has been explained under Note 2(c).
- Note 7 - The company assesses the carrying value of investments in subsidiaries for impairment. This involves evaluating the subsidiary's financial performance, market conditions, and future cash flow projections. This process requires significant judgment, including assumptions about future cash flows, growth rates, and discount rates, reflecting management's best estimates under current market conditions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2(c).

2(b) Changes in accounting policies and disclosures

(i) Standards issued and effective from April 01, 2025

The Ministry of corporate Affairs ("MCA") notified amendments on May 07, 2025 and August 13, 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025

- Amendment to Ind AS 21 - Lack of exchangeability

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot



exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the standalone financial statements of the Company.

- Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the standalone financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

- Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

- Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company does not have any supplier finance arrangements.

(ii) New standards and amendments issued but not effective

- Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants

The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.



b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

2(c) Material accounting policies

(i) Foreign currency transactions and translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(ii) Financial Instruments

(a) Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, Loans given, trade receivables, investments in equity & Mutual funds and eligible current and non-current assets; and
- financial liabilities, which include borrowings, trade payables and eligible current and non-current liabilities.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents.

The Company's cash and cash equivalents consist of 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 statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with banks and are considered part of the Company's cash management system.

Investments

Financial instruments measured at fair value through profit or loss ("FVTPL"):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses



ESDS Software Solution Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

arising on re-measurement recognised in the statement of profit and loss. The gain or loss on disposal is recognised in the statement of profit and loss.

Investments in subsidiaries:

Investment in equity instruments of subsidiaries are measured at cost less impairment (if any). Cost represents amount paid for acquisition of the said investments

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

The **recoverable amount** is the higher of:

- a. **Fair value less costs of disposal,**
and
- b. **Value in use** (present value of estimated future cash flows expected from the investment).

An impairment loss is recognized in the Statement of Profit and Loss if the recoverable amount of the investment is less than its carrying amount.

The impairment loss recognized in prior periods is reversed if there has been a change in the estimates used to determine the investment's recoverable amount, but only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined had no impairment loss been recognized in earlier years. The impairment testing is performed in accordance with the principles of **Ind AS 36 – Impairment of Assets**.

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at transaction value except trade receivable that contains significant financing component that are subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables loans given, lease receivables, and eligible current and non-current assets. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables that do not contain a significant financing component are measured at the Transaction Price.



ESDS Software Solution Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

Trade payables and other liabilities

Trade payables are initially recognised at transaction price, and subsequently carried at transaction price.

Other liabilities are initially recognised at transaction price, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Property, plant and equipment ("PPE")**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost (cash price equivalent), which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Capital work in progress is stated at cost and includes the cost of the assets that are not ready for their intended use at the Balance Sheet date.

PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.



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ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided over the useful life of assets as assessed by the management are in line with useful lives prescribed in Schedule II to the Companies Act 2013, as follows –

Particulars	Useful lives (years)
Office buildings	60
Computer and data center equipment's	3/4/5/6/10/15
Office equipment	3/4/5/8/10/15/20
Furniture and fittings	10
Vehicles	8

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use / (disposed of).

(iv) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed and where appropriate is adjusted, annually.

The estimated useful lives of the amortizable intangible assets i.e Computer software are considered as 3 and 10 years.

(v) Impairment**Impairment of Financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost which include trade receivables, loans given, lease receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using the effective interest rate.



Loss allowances for trade receivables, loans given, lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to account risk profiling of customers and historical credit loss experience adjusted for forward looking information.

Impairment of non-financial assets

The Company's non-financial assets such as property, plant and equipment, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(vi) Employee benefits

i. Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Post-employment benefits (defined benefit plans)

The Company provides for retirement benefits in the form of Gratuity. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the



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recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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 recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Defined contribution plans

The Company makes defined contribution to Government Employee Provident Fund, and Superannuation Scheme, which are recognized in the Statement of Profit and Loss on accrual basis.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(vii) Revenue Recognition

Sale of services: The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from contract with customers is recognized when the Company satisfies performance obligations by transferring promised services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The 'transaction price' as the amount of consideration to which an entity



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expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. Accumulated experience is used to estimate and provide for the discounts/right of the return, using the expected value method.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point-in-time is determined when the services are rendered which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to receive payment and the customer acceptance in determining the point in time where control has been transferred.

Rendering of services (Turn-key revenue and Webhosting revenue)

The Company provides hosting services, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered based on usage. For fixed-price contracts, revenue is recognised based on the actual service provided to the customer till the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual man hours spent relative to the total expected man hours. Some contracts (Especially in case of Turn-key projects) include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes a usage-based fee, revenue is recognised in the amount to which Company has right to invoice. Customers are invoiced on a monthly basis, and consideration is payable when invoiced.

The amount recognised as revenue is exclusive of Goods and service tax and is net of discounts.



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Unbilled revenue

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue are classified as financial asset, when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed price contracts are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Unearned revenue

Unearned revenue relates to billing done for services/ performance obligations which have not been performed as on the date of reporting. These billings are as per the terms of the contract with customers.

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVTOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

(viii) Dividend:

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

(ix) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current income tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.



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Deferred tax liabilities are generally recognized for all taxable temporary differences except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

(x) Leases**Company as a lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets

Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the



lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

(xi) Provisions and Contingent Liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that an outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(xii) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ('SBP') reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.



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No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(xiii) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xiv) Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(xv) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



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3 Property, plant and equipment

Particulars	Leasehold land	Leasehold improvements	Buildings	Computer and data centre equipment	Office equipments	Furnitures & fixtures	Vehicles	Total
Gross carrying value								
Opening gross carrying amount as at April 01, 2024	85.70	53.19	132.52	2,702.60	425.25	73.21	45.23	3,517.70
Additions	-	-	-	1,108.12	17.12	8.99	-	1,134.23
Disposals	-	-	-	-	-	-	(3.56)	(3.56)
Gross carrying amount as at March 31, 2025	85.70	53.19	132.52	3,810.72	442.37	82.20	41.67	4,648.37
Accumulated depreciation till April 01, 2024	4.30	4.65	11.74	999.73	262.29	33.96	20.65	1,337.32
Depreciation charge	0.77	0.93	1.57	353.30	90.87	8.83	5.14	461.41
Revaluation of assets	1.50	-	1.00	-	-	-	-	2.50
Accumulated depreciation on disposals	-	-	-	-	-	-	(2.82)	(2.82)
Closing accumulated depreciation as at March 31, 2025	6.57	5.58	14.31	1,353.03	353.16	42.79	22.97	1,798.41
Net carrying amount as at March 31, 2025	79.13	47.61	118.21	2,457.69	89.21	39.41	18.70	2,849.96

Particulars	Leasehold land	Leasehold improvements	Buildings	Computer and data centre equipment	Office equipments	Furnitures & fixtures	Vehicles	Total
Gross carrying value								
Opening gross carrying amount as at April 01, 2025	85.70	53.19	132.52	3,810.72	442.37	82.20	41.67	4,648.37
Additions	-	-	-	790.24	14.22	25.44	8.32	838.22
Reclassified from ROU assets	-	-	-	13.02	-	-	-	13.02
Disposals	-	-	-	-	(13.23)	-	(4.44)	(17.67)
Gross carrying amount as at March 31, 2026	85.70	53.19	132.52	4,613.98	443.36	107.64	45.55	5,481.94
Accumulated depreciation till April 01, 2025	6.57	5.58	14.31	1,353.03	353.16	42.79	22.97	1,798.41
Depreciation charge	0.62	1.36	1.96	489.15	24.44	7.85	4.95	530.33
Revaluation of assets	1.64	-	1.42	-	-	-	-	3.06
Accumulated depreciation on disposals	-	-	-	-	(10.81)	-	(3.17)	(13.98)
Closing accumulated depreciation as at March 31, 2026	8.83	6.94	17.69	1,842.18	366.79	50.64	24.75	2,317.82
Net carrying amount as at March 31, 2026	76.87	46.25	114.83	2,771.80	76.57	57.00	20.80	3,164.12



4 Right-of-use assets and Lease liabilities

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2026

Particulars	Premises	Equipments	Total
Gross carrying value			
Balance as at April 01, 2024	1,078.08	266.02	1,344.10
Additions	23.77	-	23.77
Disposals	(467.82)	-	(467.82)
Balance as at March 31, 2025	634.03	266.02	900.05
Accumulated depreciation			
Balance as at April 01, 2024	326.17	23.42	349.59
Amortisation expense	96.16	26.86	123.02
Disposals	(234.99)	-	(234.99)
Balance as at March 31, 2025	187.34	50.28	237.62
Net carrying value as on March 31, 2025	446.69	215.74	662.43

Gross carrying value			
Balance as at April 01, 2025	634.03	266.02	900.05
Additions	36.63	-	36.63
Disposals	-	(28.92)	(28.92)
Balance as at March 31, 2026	670.66	237.10	907.76
Accumulated depreciation			
Balance as at April 01, 2025	187.34	50.28	237.62
Amortisation expense	72.05	28.14	100.19
Disposals	-	(14.46)	(14.46)
Balance as at March 31, 2026	259.39	63.96	323.35
Net carrying value as on March 31, 2026	411.27	173.14	584.41

* During the year the company exercised its purchase option on a Right-of-Use (ROU) asset as per the terms outlined in the relevant lease agreement. This exercise of the purchase option resulted in a reclassification of the ROU asset to Property, Plant, and Equipment. The carrying amount of the ROU asset transferred to property, plant, and equipment as at the date of exercise of purchase option in the relevant lease agreements is Rs. 14.46 million.

The following is the break-up of current and non-current lease liabilities :

Lease liabilities

Particulars	March 31, 2026	March 31, 2025
Non-current	375.81	499.89
Current	159.72	140.40
Total	535.53	640.29



4 Right-of-use assets and Lease liabilities

The following is the movement in lease liabilities

Particulars	March 31, 2026	March 31, 2025
Balance as at beginning of the year	640.29	1,097.61
Additions	36.18	22.17
Deletions	-	(334.32)
Interest expense of Lease Liabilities	54.59	81.65
Payments	(195.53)	(226.82)
Balance as at end of the year	535.53	640.29

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

Particulars	March 31, 2026	March 31, 2025
Within 1 year	159.59	194.09
Between 1-5 years	455.80	573.12
More than 5 years	63.02	50.06
Total	678.41	817.27

Amounts recognised in profit and loss account

Particulars	March 31, 2026	March 31, 2025
Amortisation expense	100.19	123.02
Interest expense on lease liability	54.59	81.65
Total	154.78	204.67



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5 Capital Work in Progress

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2025	-
Additions	39.92
Disposals	-
Gross carrying amount as on March 31, 2026	39.92

Capital work-in-progress ageing schedule as on March 31, 2026

Particulars	Less than 1 year	1-2 year	6 Months to 1 year	2-3 year	More than 3 year	Total
Projects in progress	39.92	-	-	-	-	39.92
Projects temporarily suspended	-	-	-	-	-	-
Total	39.92	-	-	-	-	39.92

Note: There are no projects that have exceeded the budgeted cost and timeline.



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6 Other Intangible assets

Particulars	Software
Gross carrying value	
Balance as at April 01, 2024	127.46
Additions	-
Disposals	-
Balance as at March 31, 2025	127.46
Accumulated Amortisation	
Balance as at April 01, 2024	94.26
Amortisation charge	20.50
Accumulated amortisation on disposals	-
Balance as at March 31, 2025	114.76
Net carrying value as at March 31, 2025	12.70
Gross carrying value	
Balance as at April 01, 2025	127.46
Additions	121.71
Disposals	-
Balance as at March 31, 2026	249.17
Accumulated Amortisation	
Balance as at April 01, 2025	114.76
Amortisation charge	4.06
Accumulated amortisation on disposals	-
Balance as at March 31, 2026	118.82
Net carrying value as at March 31, 2026	130.35



7 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted at amortised cost		
Investments in subsidiaries		
a. Investment in Equity Shares of ESDS Global Software Solution Inc 1,000 (March 31, 2025: 1000) equity shares of \$1 each fully paid up.	0.07	0.07
b. Investment in Equity Shares of ESDS Cloud FZ LLC 66 (March 31, 2025 : 10) equity shares of AED 1000 each fully paid up.	386.19	386.19
c. Investment In Equity Shares of Spochub Solutions Private Limited - 19,800 (March 31, 2025 : 19,980) equity shares of Rs 10 each fully paid up.	0.20	0.20
Total	386.46	386.46
Quoted at FVTPL		
In Mutual Funds		
Aditya Birla Mutual funds*	45.45	42.76
Total investments	431.91	429.22
Aggregate value of Quoted Investments	45.45	42.76
Aggregate value of Unquoted Investments	386.46	386.46

*held as collateral against non-current borrowings

Refer note 33 for fair value measurement

Refer note 34 for information on company's Risk management process.

8 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non - Current		
Term deposits with banks	109.97	85.70
Other receivables	12.53	6.12
Security deposit	71.73	94.04
Total non-current financial assets	194.23	185.86
Current		
Loan to subsidiary	42.94	393.18
Term deposits with banks	450.74	364.71
Other receivables	0.20	0.20
Accrued interest on term deposits	4.21	1.90
Total current financial assets	498.09	759.99

Refer note 34 for information on company's Risk management process.

9 Income tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax balance receivable	23.60	23.60
Total income tax assets (net)	23.60	23.60

10 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	9.82	33.61
Prepaid expenses	53.44	-
Total other non-current assets	63.26	33.61



11 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (unsecured)		
Considered good	1,243.48	1,296.65
Significant increase in credit risk	15.65	15.65
Less: expected credit loss allowance	(330.20)	(311.72)
Less: credit impaired	(15.65)	(15.65)
Total	913.28	984.93
Unbilled Revenue	554.70	432.22
Total	554.70	432.22
Total trade receivables	1,467.98	1,417.15

Refer note 31 for related party transactions.

Refer note 34 for information on Company's risk management process.

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and the Company does not hold any collateral security.

Ageing Schedule:

Outstanding for following period from the date of transaction as at March 31, 2026

Particulars	Unbilled	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Loss Allowance	Total
Undisputed trade receivables – considered good	-	828.20	188.41	130.87	39.41	56.59	(330.20)	913.28
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	15.65	(15.65)	-
Unbilled Receivable	554.70	-	-	-	-	-	-	554.70
Total trade receivables	554.70	828.20	188.41	130.87	39.41	72.24	(345.85)	1,467.98

Outstanding for following period from the date of transaction as at March 31, 2025

Particulars	Unbilled	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Loss Allowance	Total
Undisputed trade receivables – considered good	-	967.49	164.10	84.73	15.99	64.35	(311.72)	984.93
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	15.65	(15.65)	-
Unbilled Receivable	432.22	-	-	-	-	-	-	432.22
Total trade receivables	432.22	967.49	164.10	84.73	15.99	80.00	(327.37)	1,417.15



12 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- In current accounts	38.69	40.48
- In deposits with original maturity of less than 3 months	-	150.00
Total cash and cash equivalents	38.69	190.48

Refer note 34 for information about Company's risk management process

13 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses^	279.18	273.32
Advances to creditors	165.08	24.78
Advances to employees	2.62	1.45
Balances with statutory authorities	47.49	42.81
Total other current assets	494.37	342.36

^Prepaid expense includes share issue expenses in connection with the proposed IPO by the company of Rs. 107.34 million (March 31, 2025 - Rs. 46.15 million)



ESDS Software Solution Limited**Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026**

(All amounts are in Rupees million, unless otherwise stated)

14 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
460,00,00,000 (March 31, 2025 : 460,00,00,000) equity shares of Rs 1/- each	460.00	460.00
Total	805.00	805.00
Issued, subscribed and paid up :		
Equity share capital		
10,04,27,753 (March 31, 2025: 10,04,27,753) equity shares of Rs 1/- each fully paid up	100.43	100.43
Total	100.43	100.43

(i) Reconciliation of equity shares issued

Particulars	As at March 31, 2026		As at March 31, 2025	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	10,04,27,753	100.43	9,28,94,185	92.90
Add: Issue of equity shares	-	-	75,33,568	7.53
Shares outstanding at the end of the year	10,04,27,753	100.43	10,04,27,753	100.43

(ii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 1 each. All Ordinary equity shares rank equally with regard to dividend and share in the Company's residual assets. Equity shares are entitled to receive dividend declared from time to time subject to payment of dividend to preference shareholders. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Details of shareholders holding more than 5% equity shares is set out below

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	% holding	No. of shares	% holding	No. of shares
Piyush Somani	24.54%	2,46,48,670	24.54%	2,46,48,670
PO Somani Family Trust	11.19%	1,12,33,739	11.19%	1,12,33,739
Komal Somani	10.13%	1,01,74,322	10.13%	1,01,74,322
Mukul Agrawal	7.00%	70,32,960	7.00%	70,32,960
Total no of shares		5,30,89,691		5,30,89,691

(iv) Details of shareholding of promoters is set out below

Shares held by promoters at the end of the year	As at March 31, 2026		As at March 31, 2025		% change
Promoter Name	% holding	No. of shares	% holding	No. of shares	
Piyush Somani	24.54%	2,46,48,670	24.54%	2,46,48,670	0%
PO Somani Family Trust	11.19%	1,12,33,739	11.19%	1,12,33,739	0%
Komal Somani	10.13%	1,01,74,322	10.13%	1,01,74,322	0%

Shares held by promoters at the end of the year	As at March 31, 2025		As at March 31, 2024		% change
Promoter Name	% holding	No. of shares	% holding	No. of shares	
Piyush Somani	24.54%	2,46,48,670	28.91%	2,68,52,696	-4%
PO Somani Family Trust	11.19%	1,12,33,739	24.19%	2,24,67,478	-13%
Komal Somani	10.13%	1,01,74,322	0.00%	11	10%

(v) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date

(vi) During the financial year 2024–25, the Board of Directors approved the ESDS Employees' Stock Ownership Plan, 2024 ("ESOP 2024"). Under the Plan, stock options are granted to eligible employees of the Company, as identified by the Nomination and Remuneration Committee. Each option is convertible into one equity share of the Company having a face value of ₹1, in accordance with the terms of the Plan. Upon vesting, employees are entitled to acquire one equity share for every option exercised.

A total of 20,60,000 options were granted under the plan. These options vest over a specified period or upon achievement of certain performance milestones, subject to a minimum vesting period of one year. The options were granted on February 28, 2025. The number of options outstanding with the Holding Company as at March 31, 2026 was 17,87,000 (March 31, 2025: 20,50,000).

During the year, 68,000 ESOP options were transferred to a subsidiary pursuant to an employee transfer arrangement between ESDS Software Solution Limited and Spochub Software Solutions Limited. Accordingly, the number of options outstanding in the subsidiary as at March 31, 2026 was 68,000 (March 31, 2025: Nil).

15 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Retained earnings		
Opening balance	1,255.28	570.21
Profit for the period	621.49	607.57
Add/ (Less) :		
Transfer to /(from) share based payment reserve	11.20	-
Transfer from Debenture redemption reserve	-	75.00
Adjustment of additional depreciation on increase in carrying value due to fair valuation transferred from revaluation reserve	-	2.50
Total retained earnings	1,887.97	1,255.28
(ii) Other comprehensive income - Remeasurement of defined benefit plans		
Opening balance	(11.80)	(9.62)
Add/ (Less) :		
Remeasurement of defined benefit plans	7.48	(2.18)
Total other comprehensive income	(4.32)	(11.80)
(iii) Securities premium		
Opening balance	3,067.44	1,704.10
Add: Premium on issue of equity shares	-	1,404.84
Less: Transaction cost	-	(41.50)
Total securities premium	3,067.44	3,067.44
(iv) Capital redemption reserve		
Opening balance	3.58	3.58
Add: Transfer from retained earnings	-	-
Total capital redemption reserve	3.58	3.58
(v) Debenture redemption reserve		
Opening balance	-	75.00
Add: Transfer from / (to) retained earnings	-	(75.00)
Total Debenture redemption reserve	-	-
(vi) Revaluation reserve		
Opening balance	98.39	100.89
Less: adjustment of depreciation	(3.06)	(2.50)
Less: Deferred tax on revaluation	(5.02)	-
Total revaluation reserve	90.31	98.39
(vii) Share based payment reserve		
Opening balance	18.32	16.07
Share based compensated expense	47.47	2.25
Transfer to free reserve on account of exercised option	(11.20)	-
Total share based payment reserve	54.59	18.32
Total Reserves and Surplus	5,099.57	4,431.21



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

II) Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Capital Redemption Reserve

Capital redemption reserve is created on account of redemption of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.

c) Revaluation reserve

Revaluation reserve has been created on account of revaluation of land and building, adjusted with additional depreciation and taxes on the same.

d) Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option.

e) Retained earnings

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Act.

f) Debenture redemption reserve

Debenture redemption reserve have been created at 10% of the value of the outstanding non-convertible debentures. Company needs to invest/deposit into Debenture Redemption Fund Investment account at 15% of the amount to be redeemed if any in next financial year.



16 Financial Liabilities
Non current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured:		
Term Loans		
From banks	11.80	69.29
From financial institutions	394.17	504.17
Total	405.97	573.46
Less : Current maturities of non-current borrowings	(121.80)	(167.49)
Total non current borrowings	284.17	405.97

Current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured:		
Demand loans from banks	23.20	53.67
Current maturities of long term borrowings	121.80	167.49
Total current borrowings	145.00	221.16

Note A:

Sr. No	Name of the bank	Type of Facility	O/s amount for the year ended March 31, 2026	O/s amount for the year ended March 31, 2025	Residual repayment term	Interest Rate (per annum)	Security
1	Axis Bank Limited	Term Loans	11.80	69.29	1 year	Ranging from 8.75% to 8.80%	Primary – First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral – 1.First pari passu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 2.First pari passu charged with Indusind INR 113.00 Million 3.Exclusive charge on FD of Rs. 10 Million Common Collateral (for all the facilities) - Pari Passu charge with Indusind on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 4.PG Piyush Somani & Sarla Somani
2	Axis Bank Limited	Cash Credit	23.20	53.67	On Demand	11.25%	Primary – First pari passu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral – 1.First pari passu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 2.First pari passu charged with Indusind INR 113.00 Million 3.Exclusive charge on FD of Rs. 10 Million Common Collateral (for all the facilities) - Pari Passu charge with Indusind on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 4.PG Piyush Somani & Sarla Somani
3	Aditya Birla Finance Limited	Term Loans	394.17	504.17	3.33 years	10.25%	1. 1st Pari passu charge by way of mortgage (if any) on all immovable fixed assets (present and future) of the Borrower (except for the land and building at Nashik and except for any future asset financed and secured exclusively by any particular lender), among all term lenders proportionately 2. 1st Pari passu charge over all movable fixed assets (present and future) of the Borrower including all patented technology and products, proportionate to outstanding amount among all term lenders proportionately. 3. Cash Flow equivalent to Rs.2.5 Crores per month to be routed through designated account in favour of ABFL & to be maintained throughout Facility tenor. 4. 2nd Pari passu charge over entire current assets, book debts, receivables and cash flows, present and future, of the Borrower. 5. Personal Guarantees of Mr. Piyush Somani & Ms. Komal Somani. PG of Ms. Komal Somani shall be released upon submission of audited financial statement of the Borrower wherein the Borrower has achieved an EBITDA of Rs.120 Crores in any fiscal year. 6. 3 months' (Principal + Interest) DSRA to be lien marked in favour of ABFL 7. NACH and PDCs
Total			429.17	627.13			



17 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Capital creditors	83.30	366.16
Employee benefits payable	18.06	14.98
Other payables	9.67	11.80
Total other financial liabilities	111.03	392.94

18 Employee benefit obligations

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Gratuity [refer note:32]	79.88	93.07
Total non - current obligations	79.88	93.07
Current		
Gratuity [refer note:32]	1.50	2.00
Compensated absences	21.58	49.60
Total current obligations	23.08	51.60



19 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of Micro and small enterprises (refer note below)	18.17	27.68
Total outstanding dues of creditors other than Micro and small enterprises	360.88	255.42
Total trade payables	379.05	283.10

Trade payables are non-interest bearing and are normally settled in 30-45 days terms.

There are no unbilled dues for the trade payables as on the balance sheet date.

Refer note no.: 34 for information about the company's financial risks management process and note no.: 31 for related party transactions.

Ageing Schedule

Outstanding for following period from the date of invoice as at March 31, 2026

Particulars	Payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	18.17	-	-	-	18.17
Others	101.51	257.37	1.27	0.25	0.48	360.88
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	101.51	275.54	1.27	0.25	0.48	379.05

Outstanding for following period from the date of transaction as at March 31, 2025

Particulars	Payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	27.67	-	0.01	-	27.68
Others	55.32	162.81	0.02	-	11.60	229.74
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	25.68	-	-	25.68
Total	55.32	190.48	25.70	0.01	11.60	283.10

Disclosure pursuant to Micro, Small & Medium Enterprises Development Act, 2006 for dues to micro, small & medium enterprises is as under

Sr. No	Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	As at March 31, 2026	As at March 31, 2025
1	Principal amount due to suppliers registered per the MSMED Act and remaining unpaid as at year end	18.17	27.68
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	(0.06)
3	Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
4	Amount of interest due and payable for the period of delay in making payments but without adding interest specified under MSMED Act, 2006	-	-
5	The amount of interest accrued and remaining unpaid at the end of year	-	(0.06)
6	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

20 Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for tax (net)	49.62	25.00
Total other current liabilities	49.62	25.00



20a Other current liabilities

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Statutory liabilities	30.71	43.45
Advance from customers	97.48	7.35
Unearned revenue	46.41	91.79
Unpaid dividend on Preferences Shares	0.04	0.04
Total other current liabilities	174.64	142.63



23 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of services		
Cloud hosting and managed services	3,752.44	3,574.28
Other operating revenue		
Service income	28.73	-
Total revenue from operations	3,781.17	3,574.28

A. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract price	3,613.31	3,233.85
Adjustments for:		
Unbilled revenue	122.48	432.22
Unearned revenue	45.38	(91.79)
Revenue from operation	3,781.17	3,574.28

B. Disaggregation of revenue by geography:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	3,539.85	2,743.37
Outside India	241.32	830.91
Total	3,781.17	3,574.28

C. Disaggregation by nature of services:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cloud hosting and managed services	3,752.44	3,574.28
Service income	28.73	-
Total	3,781.17	3,574.28

D. Timing of revenue recognition:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Services transferred over time	3,539.05	3,293.14
Point in time (delivery to customer)	242.12	281.14
Total	3,781.17	3,574.28

E. Contract balances:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables	913.28	984.93
Unbilled revenue	554.70	432.22
Unearned revenue	46.41	91.79
Advance from customers	97.48	7.35



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

24 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from:		
Deposits with banks	31.72	39.28
Income tax refund	-	6.28
Loan to subsidiaries	26.68	2.25
Foreign exchange fluctuation gain (net)	14.26	-
Fair value gain on investments	2.69	1.29
Profit on sale of asset	3.74	0.78
Unwinding of discount on security deposits	1.62	0.72
Cessation of lease liabilities	-	104.93
Miscellaneous income	10.97	5.52
Total other income	91.68	161.05

25 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	833.21	878.89
Contribution to provident and other funds	23.79	26.38
Employee stock option scheme	46.14	2.25
Staff welfare expenses	24.96	29.85
Total employee benefit expense	928.10	937.37

26 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on:		
- Borrowings	50.98	125.92
- Lease liabilities	54.59	81.65
- MSME	-	0.06
Bank charges	9.64	6.84
Other borrowing costs	2.69	4.16
Total finance costs	117.90	218.63

27 Depreciation and amortization expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment	530.33	463.91
Amortisation of intangible assets	4.06	20.50
Amortisation of right-of-use asset	100.19	123.02
Total depreciation and amortization expense	634.58	607.43



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

28 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Membership and subscription charges	217.56	206.80
Power and fuel charges	211.70	197.43
Project servicing cost	259.58	190.43
Communication expenses	125.97	90.38
Expected credit loss allowance	24.37	99.27
Charge for non-performance of obligation	57.18	-
Legal and professional charges	81.49	91.49
Contract fulfillment costs	28.24	16.87
Advertisement and sales promotion	46.71	35.80
Travel and conveyance	46.37	40.23
Contract labour charges	30.71	30.19
Rates and taxes	20.53	3.76
Rental charges	26.70	8.94
Office expenses	13.96	7.01
Directors sitting fees	2.75	3.54
Commission/Brokerage	29.23	23.52
Insurance	17.47	14.20
Repairs and maintenance:		
Computers	1.18	0.35
Buildings	18.88	-
Others	8.53	13.33
Foreign exchange fluctuation loss (net)	-	9.03
Corporate social responsibility expenditure [Refer note no:38]	6.59	0.91
Auditor's remuneration	2.08	3.23
Miscellaneous expenses	7.79	11.63
Total other expenses	1,285.57	1,098.34

Auditor's remuneration

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As Auditor:		
Statutory audit	2.08	2.80
Tax audit fee	-	0.23
Other services	-	0.20
Total	2.08	3.23



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

29 Earnings per share

(a) Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Basic earnings per equity share		
Profit attributable to equity shareholders of the Company	621.49	607.57
Weighted average number of equity shares	10,04,27,753	9,53,68,874
Basic earnings per share	6.19	6.37
(ii) Diluted earnings per equity share		
Profit attributable to equity shareholders of the Company	621.49	607.57
Weighted average number of equity shares (including potential shares)	10,22,82,753	9,53,68,874
Diluted earnings per share	6.08	6.37

(b) Weighted average number of shares used as denominator

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,04,27,753	9,53,68,874
Adjustments for calculation of diluted earnings per share:		
Number of ESOPS	18,55,000	-
Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share	10,22,82,753	9,53,68,874



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

21 Income tax expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
Pertaining to profit for the current year	252.56	245.55
Deferred tax (net of MAT)	(3.73)	19.03
Prior year tax	36.38	-
Income tax expense	285.21	264.58
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expenses	906.70	872.11
Tax at the Indian tax rate of 25.168% (2024-25 - 27.82%)	228.20	242.63
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure and others	(2.02)	0.25
Other comprehensive Income	-	0.84
Business loss set off	-	53.84
MAT balance written off	25.16	-
Impact of change in rate of tax	(11.44)	-
Prior year taxes	36.38	-
Others	8.93	(32.98)
Total	57.01	21.95
Net current tax expenses recognised in Statement of Profit & loss	285.21	264.58



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

22 Deferred Tax (net)

(a) Breakup of deferred tax liability:

Particulars	As at March 31, 2026	As at March 31, 2025
Net Deferred tax (assets)/liabilities**	148.93	119.96
Deferred tax assets/liabilities arise from the following:		
Tax credits available:		
MAT credit receivable	(25.16)	25.16
Deferred tax assets		
Gratuity & compensated absences	25.91	42.50
Provision for doubtful debts	87.04	91.07
Lease liabilities	134.78	178.13
	222.57	336.86
Deferred tax liability		
PPE depreciation and intangible amortization	219.40	272.54
Right of use of assets	147.08	184.28
Revaluation of Property, plant and equipment	5.02	-
	371.50	456.82

**Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

(b) Movement in deferred tax (assets)/ liabilities:

Movement in deferred tax (assets)/ liabilities:	As at March 31, 2026	As at March 31, 2025
Opening deferred tax (assets) / liabilities	119.96	65.36
Mat credit entitlement	50.32	36.88
Gratuity & compensated absences	16.59	(4.74)
Provision for doubtful debts	4.03	(27.64)
Lease liabilities	43.35	127.23
Right of use of assets	(37.20)	(90.82)
Income tax business loss setoff	-	61.02
PPE depreciation and intangible amortization	(53.14)	(47.34)
Revaluation of Property, plant and equipment	5.02	-
Closing deferred tax liability (assets)/liabilities	148.93	119.96



ESDS Software Solution Limited**Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***30 Contingent liabilities and commitments****i) Capital commitments**

Particulars	March 31, 2026	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances)	174.44	262.59

ii) Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2026	March 31, 2025
Claims against the company not acknowledged as debts		
Other matters [Refer iii (b)]	2.62	2.62
Guarantees excluding financial guarantees		
Performance Bank guarantees given to customers	526.04	472.27
Tax litigations		
GST demands on improper availment of ITC for the years 2019-20 to 2020-21	23.01	10.09
Total	551.67	484.98

ii) Other Matters

- a) In 2022, Mr Rajeev Papneja an ex-employee of the company has filed the petition in Bombay high court alleging that an oral contract was agreed with the company for issuance of certain number of shares under ESOP owing to services rendered by him to the company, claim amounting to Rs. 184.80 million. The company has filed an application before the bombay high court challenging its jurisdiction to adjudicate the matter.

The company does not foresee any probable outflow in respect of the above matters and accordingly has not specifically disclosed the quantum under contingent liability.

- b) In Feb 2022, Company has received a legal notice from Sara Infoway ITES India for non-payment of outstanding dues of Rs. 15.38 million (including interest @ 18% p.a. of Rs 2.34 million/-). Additionally, an amount of Rs. 0.30 million /- is being sought as advocate fee for serving the legal notice. As per books of accounts of the Company, outstanding dues of Rs. 13.06 million are being reflected. As of now, the company is carefully reviewing the vendor's claims and assessing its legal obligations in this matter. The company is actively exploring options for resolving the dispute, which may include negotiations, seeking legal advice, or pursuing a settlement to mitigate any financial impact.



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

31 Related party disclosures

Related Party	Relation
Individuals having Significant influence over Reporting Entity(RE)	
Piyush Somani	Chairman and Managing Director
Relatives of such individuals:	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
Key Managerial Personnel (KMP)	
Komal Somani	Whole Time Director (w.e.f July 28, 2021)
Jitendra Pathak	Whole Time Director (w.e.f February 04, 2025)
Nadukuru Sita Ramiah	Chief Financial Officer (From October 31, 2022)
T.G. Dhandapani	Independent Director (from July 28, 2021)
Venkatesh Natrajan	Independent Director (from July 01, 2023)
Pamela Kumar	Independent Director (from July 28, 2021)
Prasad Deokar	Compliance Officer and Company Secretary (From July 13, 2022)
Entities that are parent, subsidiary, fellow subsidiary of RE	
ESDS Internet Services Private Limited	Subsidiary Company (50% holding of ESDS Software Solution Ltd) (Ceases to be subsidiary from August 29, 2024)
ESDS Global Software Solution Inc.	Wholly owned Subsidiary Company
ESDS Cloud FZ LLC	Wholly owned Subsidiary Company
Spochub Solutions Private limited	Subsidiary Company (99% holding of ESDS Software Solution Ltd)
Individual RP having control/JC over another entity (having transaction with the Company)	
Great Ideas in Action LLP	Komal Somani: Designated partner



ESDS Software Solution Limited

Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

31 Related party disclosures

I Nature of transactions and amounts

Nature of transactions	Amount	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A) Salaries and allowances		
i) Key Managerial Personnel (KMP)		
Prasad Deokar	2.12	1.40
Nadukuru Sita Ramiah	5.40	7.14
ii) Relatives of KMP		
Prajakta Somani Jadhav	0.45	2.50
Pooja Somani	1.14	1.14
B) Director remuneration to KMP		
Komal Somani	7.77	5.43
Piyush Somani	14.67	10.78
Jitendra Pathak	14.76	9.79
C) Loans and advances (net of interest)		
Loans given to ESDS Cloud FZ LLC	-	399.50
Loans recovered from ESDS Cloud FZ LLC	363.39	-
D) Operating and other expenses		
i) Subsidiary		
ESDS Internet Services Private Limited	-	43.31
E) Director sitting fees		
T.G. Dhandapani	0.93	1.37
Pamela Kumar	0.89	0.95
Venkatesh Natrajan	0.93	1.23
F) Professional Fees		
T.G. Dhandapani	-	0.12
Venkatesh Natrajan	-	0.12
G) Rental income		
i) Subsidiary		
ESDS Internet Services Private Limited	-	0.06
H) Interest Income		
i) Subsidiary		
ESDS Cloud FZ LLC	26.68	2.25
I) Service income		
i) Subsidiary		
Spochub Solutions Private Limited	28.73	-
J) Investment in Subsidiary		
Investment in Subsidiary (ESDS Cloud FZ LLC)	-	385.99
K) Gratuity and Leave encashment Liability transfer		
Spochub Solutions Private Limited	25.84	-



L) Employee Stock Option Reserve		1.33	-
Spochub Solutions Private Limited			



ESDS Software Solution Limited
Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)
II Outstanding receivable/(payable) balances

Nature of transactions	Outstanding balances for period ended	
	As at March 31, 2026	As at March 31, 2025
A) Loans and advances		
i) Subsidiary		
ESDS Cloud FZ LLC	42.94	390.29
B) Other receivables		
i) Subsidiary		
Spochub Solutions Private Limited	4.22	-
ESDS Global Software Solution Inc	3.61	2.89
C) Director Sitting Fees Payable		
T.G. Dhandapani	-	0.32
Pamela Kumar	-	0.28
Venkatesh Natrajan	-	0.32
D) Payables		
i) Individuals having control over another entity		
Great Ideas in Action LLP	-	0.63
E) Investment in subsidiaries		
Equity Shares of ESDS Global Software Solution Inc	0.07	0.07
Equity Shares of ESDS Cloud FZ LLC	386.19	386.19
Equity Shares of Spochub Solutions Private Limited	0.20	0.20

III Terms and conditions for outstanding balances

All Outstanding balances are unsecured and payable in cash.



32 Employee benefit obligations**A. Defined contribution plans :**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contribution. The contribution is charged to Statement of Profit and Loss as it accrues. The amount recognised as an expense towards contribution to Provident Fund for the period aggregated to Rs.23.59 million (March 31, 2025: 26.14 million) and other funds to Rs.0.20 million (March 31, 2025: 0.24 million).

B Defined benefit plan

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(a) Movements in the present value of the defined obligation are as follows:		As at March 31, 2026	As at March 31, 2025
Obligation at the beginning		95.07	77.02
Current service cost		13.69	19.47
Past service cost		2.25	-
Interest expense		7.13	5.20
Transfer In / (out)		(18.39)	-
Benefits paid		(8.37)	(9.64)
Actuarial losses (gains) arising from change in financial assumptions		(8.58)	4.63
Actuarial losses (gains) arising from experience adjustments		(1.42)	(1.61)
Liability at the end		81.38	95.07

(b) The net liability disclosed above relates to funded and unfunded plans are as follows:		As at March 31, 2026	As at March 31, 2025
Present value of funded obligations		-	-
Fair value of plan assets		-	-
Deficit of funded plans		-	-
Unfunded plans		81.38	95.07
Deficit of Gratuity Plan		81.38	95.07

(c) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.		For the year ended March 31, 2026	For the year ended March 31, 2025
Particulars			
Service cost		15.94	19.47
Net interest (income)/expense		7.13	5.20
Net gratuity expense		23.07	24.67

(d) Expenses recognized in statement of other comprehensive income:		For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurement			
Remeasurement for the year - obligation (gain)/loss		(10.00)	3.02
Total Remeasurement Cost/(credit) for the year recognised in OCI		(10.00)	3.02



(e) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	7.50%	6.75%
Rate of growth in compensation level	7.00%	7.00%
Expected average remaining working lives of employees (in years)	60 years	60 years
Attrition rate*	5% to 1%	5% to 1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption	Defined benefit obligation	
	For the year ended March 31, 2026	As at March 31, 2025
(i) 1% increase in discount rate	71.37	82.63
(ii) 1% decrease in discount rate	92.93	110.18
(iii) 1% increase in rate of salary escalation	92.87	109.98
(iv) 1% decrease in rate of salary escalation	71.24	82.55
(v) 1% increase in rate of withdrawal	81.88	94.76
(vi) 1% decrease in rate of withdrawal	80.81	95.41

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 1%, keeping all other actuarial assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected contributions to the defined benefits plan in future year:

Particulars	For the year ended March 31, 2026	March 31, 2025
Year 1	1.50	2.00
Year 2	2.95	3.10
Year 3	2.85	3.25
Year 4	2.75	2.88
Year 5	2.66	3.65
Year 6 to 10	5.39	12.68

Liability Risks

Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Asset Risks

The Group does not have any investment in plan assets, as the gratuity plan is a non funded plan. In case of any liability arises on account of gratuity, the group will pay off the amount from the available sources of funds.



33 Fair value measurements**The carrying amounts of financial assets and liabilities by categories**

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Non-current financial assets				
Investments				
- in subsidiaries	-	386.46	-	386.46
- in mutual funds	45.45	-	42.76	-
Other financial assets	-	194.23	-	185.86
Current financial assets				
Trade receivables	-	1,467.98	-	1,417.15
Cash and cash equivalents	-	38.69	-	190.48
Other financial assets	-	498.09	-	759.99
Total financial assets	45.45	2,585.45	42.76	2,939.94
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	284.17	-	405.97
Lease liabilities	-	375.81	-	499.89
Current financial liabilities				
Current borrowings	-	145.00	-	221.16
Lease liabilities	-	159.72	-	140.40
Trade payables	-	379.05	-	283.10
Other financial liabilities	-	111.03	-	392.94
Total financial liabilities	-	1,454.78	-	1,943.46

The management assessed that the fair value of cash and cash equivalents, borrowings, lease liabilities, trade receivables, trade payables and other financial assets and other financial liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is 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 management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.



33 Fair value measurements

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2026

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets				
Investments			-	-
- in mutual funds	45.45	-	-	45.45
Total financial assets	45.45	-	-	45.45

As at March 31, 2025

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- in mutual funds	42.76	-	-	42.76
Total financial assets	42.76	-	-	42.76

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous period.



34 Financial risk management

The Company's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables (including capital creditors). The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans given, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to the following risks from the use of financial instruments:

- (a) credit risk,
- (b) liquidity risk, and
- (c) market risk,
 - (i) foreign currency exchange risk, and
 - (ii) interest rate risk.

The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Credit Risk

The Company is exposed to credit risk as a result of counterparties defaulting their obligations. The Company's exposure to credit risk primarily relates to trade receivables. The Company monitors and limits its exposure to credit risks on a reasonable basis. The Company's credit risk is associated with Trade receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, the Company yearly reviews the financial reliability of its customers, taken into account their financial conditions, current economic trends, analysis of historical bad debts and ageing of trade receivables.

Financial instruments that are subject to such risks, principally consist of trade receivables, contract assets such as unbilled revenue, loans to subsidiaries, security deposits and cash and bank balances. None of the financial instruments of the Company results in material concentration of credit risk.

• Trade receivables/contract assets

Customer credit risk is managed by the Company subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, "Financial Instruments" which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

To measure the expected credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Company has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The historical rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Reconciliation of loss allowance and credit impairment provisions

Particulars	Amount
Loss allowance as at March 31, 2024	228.02
Add/(less): Changes in Loss Allowance	
Bad debts written off during the Year	-
:Provision for the Year	99.35
:Reversal of excess provision	-
Loss allowance as at March 31, 2025	327.37
Add/(less): Changes in Loss Allowance	
Bad debts written off during the Year	
:Provision for the Year	24.37
:Reversal of excess provision	(5.89)
Loss allowance as at March 31, 2026	345.85

Loss allowance matrix

Ageing Bucket	% of ECL
<= 60 days	0.00%
61 to 90 days	25.00%
91 to 180 days	30.00%
181 to 365 days	50.00%
Above 365 days	100.00%

(b) Liquidity Risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The Company monitors and manages the liquidity risk to ensure access to sufficient fund to meet operational and financial requirements. The Company has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the Company's liquidity risk, the Company's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on their undiscounted contractual maturities.

As at March 31, 2026

Particulars	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	284.17	-	284.17
Lease liabilities	-	231.49	144.32	375.81
Current financial liabilities				
Current borrowings	145.00	-	-	145.00
Lease liabilities	159.72	-	-	159.72
Trade payables	379.05	-	-	379.05
Other financial liabilities	111.03	-	-	111.03
Total	794.80	515.66	144.32	1,454.78



March 31, 2025

Particulars	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	341.80	64.17	405.97
Lease liabilities	-	272.03	227.86	499.89
Current financial liabilities				
Current borrowings	221.16	-	-	221.16
Lease liabilities	140.40	-	-	140.40
Trade payables	283.10	-	-	283.10
Other financial liabilities	392.94	-	-	392.94
Total	1,037.60	613.83	292.03	1,943.46

(c) Market risk

Market risk is the risk of any loss in the future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change due to change in interest rates, foreign currency exchange rates, liquidity, and other market changes. Future specific market movements cannot be market predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk

The Company deals with receivables from customers and payables to vendors. It is therefore exposed to foreign exchange risk associated with exchange rate movements. The foreign exchange rate fluctuations do not have any material impact on the profitability of the Company as such exports and foreign currency expenditure is negligible in totality. There are no forward exchange contracts which have been entered into by the Company as at the reporting dates.

Details of foreign currency exposures that are not hedged by a derivatives instrument or otherwise:

Particulars	March 31, 2026	March 31, 2025
Receivables (asset)		
USD	0.03	-
GBP	0.07	0.07
Payables (liability)		
USD	0.02	0.02
Loan (given)		
USD	0.04	0.03
AED	1.68	16.90

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the 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.

Interest rate exposure : The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on variable rate borrowings	50.98	125.92

Sensitivity analysis

Profit or loss to higher/lower interest rate expense from borrowings as a result of changes in interest rates

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
If interest rates -		
Increase by 1%	0.51	1.26
Decrease by 1%	(0.51)	(1.26)



35 Share based payments

1 ESOP Scheme 2021

(a) Description of share based payment arrangements

On August 9, 2021, the Board of Directors approved the ESDS Employees Stock Ownership Plan 2021. These options are granted to eligible employees of the Company determined by the nomination and remuneration committee and are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the plan. Upon vesting, the employees can acquire one common equity share of The Company for every option. Options will be available for vesting upon successful completion of service during the vesting period. The options were granted on August 30, 2021.

Additionally, 78,500 options were granted during the year having vesting period of one year from date of grant.

Vesting conditions

Options can be exercised within 4 years from the vesting date. The vesting pattern is set out below

Vesting	Vesting of grant
30 August 2022	50%
30 August 2023	20%
30 August 2024	20%
30 August 2025	10%

(b) Measurement of fair values

Vesting	Exercise price	Expected volatility	Risk free rate	Expected life	Weighted average fair value as at grant date	Method of valuation
30 August 2022	65	20.33%	5.65%	3 to 6 years	10.60	Black – Scholes Model
30 August 2023	65	20.33%	5.65%	3 to 6 years	13.38	Black – Scholes Model
30 August 2024	65	20.33%	5.65%	3 to 6 years	15.96	Black – Scholes Model
30 August 2025	65	20.33%	5.65%	3 to 6 years	18.35	Black – Scholes Model

(c) Effect of employee stock ownership plan on the Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee stock ownership plan expense	0.55	1.48

During the year ended March 31, 2026, 21,000 ESOP options were cancelled, and there were no modifications to the options.

The carrying amount of the liability in respect of the Employee Stock Ownership Plan as at March 31, 2026 was Rs. 2.18 million (March 31, 2025: Rs. 17.55 million). During the year ended March 31, 2026, Rs. 11.20 million was transferred to free reserves upon the exercise of options.

(d) Reconciliation of outstanding share options

The number share options under the share option scheme are as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Options outstanding at the beginning	9,97,140	12,77,000
Add: Options granted	78,500	-
Less: Options cancelled or lapsed	21,000	1,34,000
Less: Options exercised	8,50,340	1,45,860
Options outstanding at the end	2,04,300	9,97,140



ESDS Software Solution Limited**Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***35 Share based payments****2 ESOP Scheme 2024****(a) Description of share based payment arrangements**

On December 6, 2024, the Board of Directors approved the ESDS Employees Stock Ownership Plan 2024. These options are granted to eligible employees of the Company determined by the nomination and remuneration committee and are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the plan. Upon vesting, the employees can acquire one common equity share of the Company for every option. Options granted under the Plan shall vest within a specified time period or on achievement of certain performance milestones or both subject to a minimum Vesting Period of one year. The options were granted on February 28, 2025.

Additionally, 40,000 options were granted during the year having vesting period of one year from date of grant.

Vesting conditions

Options can be exercised within 3 years from the vesting date. The vesting pattern is set out below

Vesting	Vesting of grant
March 1, 2026	10%
March 1, 2027	30%
March 1, 2028	40%
March 1, 2029	20%

(b) Measurement of fair values

Vesting	Exercise price	Expected volatility	Risk free rate	Expected life (in years)	Weighted average fair value as at grant date	Method of valuation
March 1, 2026	225	18.45%	6.56%	2.5	44.83	Black – Scholes Model
March 1, 2027	225	20.03%	6.59%	3.5	58.56	Black – Scholes Model
March 1, 2028	225	20.09%	6.64%	4.5	69.71	Black – Scholes Model
March 1, 2029	225	22.93%	6.69%	5.5	83.73	Black – Scholes Model

(c) Effect of employee stock ownership plan on the Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee stock ownership plan expense	45.59	0.77

During the year ended March 31, 2026, 2,35,000 ESOP options were cancelled, with no modifications made to the remaining options.

Additionally, 68,000 ESOP options were transferred to a subsidiary pursuant to an employee transfer arrangement between ESDS Software Solution Limited and Spochub Software Solutions Limited. The related ESOP expenses for the transferred options have been recognized in the subsidiary's books amounting to Rs.1.33 million.

The carrying amount of the liability relating to the Employee Stock Ownership Plan as at March 31, 2026 was Rs. 52.41 million (March 31, 2025: Rs. 0.77 million)

(d) Reconciliation of outstanding share options

The number share options under the share option scheme are as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Options outstanding at the beginning	20,50,000	-
Add: Options granted	40,000	20,60,000
Less: Options cancelled or lapsed	2,35,000	10,000
Less: Options exercised	-	-
Options outstanding at the end	18,55,000	20,50,000



36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

The Company monitors capital gearing ratio, which is net debt divided by total capital. Net debt comprises of long term and short term borrowings less cash and bank balances, equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting Year was as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt*	429.17	627.13
Cash and cash equivalents	(38.69)	(190.48)
Net debt	390.48	436.65
Shareholders' funds		
Equity share capital	100.43	100.43
Reserves and surplus	5,099.57	4,314.50
Total equity	5,200.00	4,414.93
Net debt to equity ratio	0.08	0.10
Total Debt to Equity ratio	0.08	0.14

* includes current maturity of long term borrowing

37 Segment Information

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.



38 CSR Expenditure

As per provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

The Company has contributed a sum of Rs.6.59 million (March 31, 2025: Rs. 0.91 million) for the year towards this cause and charged the same to the Statement of Profit and Loss.

The gross amount required to be spent during the year ended March 31, 2026 was Rs .6.49 million.

Particulars	March 31, 2026	March 31, 2025
Contribution	6.59	1.57
Total	6.59	1.57
Amount required to be spent as per Section 135 of the Act*	6.49	1.12
Amount spent during the year on		
(i) Research centre	-	-
(ii) Promotion of healthcare including preventive healthcare	-	-
(iii) Safeguarding environmental sustainability, ecological balance and conservation of natural resources and educational purposes	6.59	1.57

Details of ongoing CSR projects under Section 135(5) of the Act

Balance as at April 01, 2025		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2026	
With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
-	-	-	-	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Amount required to be spent during the year	Amount spent during the year	Balance unspent / (excess spent) as at March 31, 2026
6.49	6.59	(0.10)

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 01, 2025	Amount required to be spent during the year	Amount spent during the year	Balance (unspent)/excess spent as at March 31, 2026
0.66	6.49	6.59	0.76

Note: The excess CSR spent is not shown as receivable but will be adjusted against future CSR liabilities.

39 Interest in other entities

Sr. no	Name of entity	Relation	Place of business	Principal activities	Ownership held by the Company	
					As at March 31, 2026	As at March 31, 2025
1	Spochub Solutions Private Limited	Subsidiary Company (99% holding of ESDS Software Solution Limited)	India	IT services	99%	100%
2	ESDS Cloud FZ LLC	Wholly owned Subsidiary Company	Dubai	IT services	100%	100%
3	ESDS Global Software Solution Inc	Wholly owned Subsidiary Company	USA	IT services	100%	100%

40 Disclosure of loans and advances in the nature of loans

a. Disclosure of loans given covered u/s 186(4) of the Companies Act, 2013

Sr. no	Name of entity	Relation	Amount outstanding as at March 31, 2026
1	ESDS Cloud FZ LLC	Wholly owned Subsidiary Company	42.94

Note: Loans to subsidiaries have been given for the purpose of working capital requirements.



- b. The Company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel or related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayment.



41 Ratios analysis

Sr.No.	Particulars	Formulae used for calculation of ratio	As at March 31, 2026			As at March 31, 2025			% Change in Ratio
			Numerator	Denomintor	Ratio	Numerator	Denomintor	Ratio	
a)	Current ratio	Current Assets/Current Liabilities	2,499.13	1,042.14	2.40	2,709.98	1,256.83	2.16	11.22%
b)	Debt-Equity Ratio	(Non-current borrowings+ Current borrowings)/Total Equity	429.17	5,200.00	0.08	627.13	4,531.64	0.14	-40.36%
c)	Debt Service Coverage Ratio	^EBITDA/Current Debt obligation	1,567.50	145.00	10.81	1,538.57	221.16	6.96	55.39%
d)	Return on Equity Ratio	Profit after tax/Average Shareholders Equity	621.49	4,865.82	12.77%	607.63	3,542.38	17.15%	-25.54%
e)	Trade Receivables turnover ratio	Revenue from operations/Average billed trade receivables	3,781.17	949.10	3.98	3,574.28	835.19	4.28	-6.91%
f)	Trade payables turnover ratio	(Purchase of goods + Other expenses)/Average trade payables	1,285.57	331.08	3.88	1,098.34	255.02	4.31	-9.84%
g)	Net capital turnover ratio	Revenue from operations/(Current assets- Current liabilities)	3,781.17	1,456.99	2.60	3,574.28	1,453.15	2.46	5.51%
h)	Net profit ratio	Profit after tax/ Revenue from operations	621.49	3,781.17	0.16	607.63	3,574.28	17.00%	-3.32%
i)	Return on capital employed	^^EBIT/Capital employed (tangible net worth + total debt + deferred tax liability)	1,024.60	5,063.34	0.20	1,092.19	4,525.80	24.13%	-16.15%
j)	Return on investment	^^EBIT /Average Capital employed	1,024.60	4,865.82	21.06%	1,069.57	4,334.62	0.25	-14.66%

^ EBITDA : Profit /(loss) before exceptional items + Finance Cost + Depreciation and Amortization - Other Income

^^ EBIT : Profit /(loss) before exceptional items + Finance Cost

Reasons for change more than 25% from previous year

a) **Debt-Equity Ratio:** The debt-equity ratio declined significantly during the current period, primarily due to the repayment of outstanding borrowings.

b) **Debt Service Coverage Ratio :** The increase in the Debt Service Coverage Ratio is attributable to higher Earnings Before Interest, Taxes, Depreciation, and Amortization and a reduction in current borrowings due to repayments.

c) **Return on Equity Ratio :** The decrease in the Return on Equity (ROE) ratio was primarily due to an increase in average shareholders' equity without a proportionate growth in Profit After Tax (PAT).



42 Additional regulatory disclosures

- i) Title deeds of Immovable Property are held in the name of company wherever applicable.
- ii) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- iii) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- iv) The company does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- v) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.
- vi) The Company has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial year/period.
- vii) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- viii) There were no whistle blower complaints received by the Company during the year.
- ix) The company does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the current year and previous year.
- x) The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 to or on behalf of the ultimate beneficiaries.
- xii) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) 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.
- xiii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- xiv) The Company has borrowings secured against current assets and statements of current assets filed by the Company with banks are not in agreement with the books of accounts subject to the following differences along with the reasons for these differences.

Amount in millions				
Quarter ended	As per the accounting records	As per stock statement	Difference	Remarks
June 30, 2025	648.76	674.41	(25.65)	This is due to quarterly adjustment entries posted.
September 30, 2025	528.92	526.99	1.93	This is due to quarterly adjustment entries posted.
December 31, 2025	589.39	582.39	7.00	This is due to quarterly adjustment entries posted.
March 31, 2026	711.26	806.95	(95.69)	This is due to quarterly adjustment entries posted.

Note: Receivables reported above relate to balances outstanding for less than 120 days.

43 The Code on Social Security, 2020:

During the year ended 31 March 2026, the Central Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', effective from 21 November 2025 primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity and leave encashment.

44 Previous period figures have been regrouped/reclassified wherever necessary to confirm to current periods presentation

As per our report attached of even date
For **M S K C & Associates LLP**
Chartered Accountants
Firm Registration No: 001595S/S000168

Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026



For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026

Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026

Nadukuru Sita Ramaiah
Chief Financial Officer

Place: Nashik
Date: May 27, 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of ESDS Software Solution Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of ESDS Software Solution Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, and 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 for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information 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, the aforesaid Consolidated Financial Statements of the Group give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2026, and of consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and its consolidated statement of cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as 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 Institute of Chartered Accountant of India ("ICAI"), 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information 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.



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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. The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 Financial Statements of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 the Group 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 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 the Group 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 Group 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.

Auditors' 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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matter:

- a. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 12,542.63 million as at March 31, 2026, total revenues of Rs. 849.49 million and net cash flows amounting to Rs. 12,351.51 million for the year ended on that



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date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports 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 is based solely on the reports of the other auditors.

- b. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 158.52 million as at March 31, 2026, total revenues of Rs. 120.17 million and net cash flows amounting to Rs. (361.49) million for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and 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 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 is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Both of the above subsidiaries are located outside India, and the financial statements have been prepared in accordance with accounting principles generally accepted in its country. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the management's signed financial statements and the underlying conversion adjustments, which have not been subject to audit.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

- c. The consolidated financial statements of the Company for the year ended March 31, 2026, were audited by previous auditor whose report dated August 12, 2025 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate financial statements of the subsidiaries referred to in the Other Matters section above 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 have been kept by the Group companies so far as it appears from our examination of those books, except that in the absence of sufficient appropriate audit evidence with respect to an accounting software being used for the purpose of billing and managing customer records of Holding Company, we are unable to comment whether back-up of the books of account and other books and papers



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- maintained in electronic mode, have been kept in servers physically located in India on a daily basis and except for the matter stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).
- 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 Accounting Standards 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 March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies are disqualified as at March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g)
 - g. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 31 to the Consolidated Financial Statements.
 - ii. The Group companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
 - iv. a. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, 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 subsidiaries to or in any other person or entity, including foreign entities with the understanding,



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whether recorded in writing or otherwise, as on the date of this audit report, that such parties 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 subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person or entity, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, 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.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. In regard to the accounting software:

Based on our examination which included test checks, the Holding and Subsidiary Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level to log any direct data changes. Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in those years.

In regard to the payroll software:

Based on our examination, which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention.



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In regard to the software used for the purpose of billing and managing customer records:

Based on our examination which included test checks, the Holding Company has used an accounting software for billing and managing customer records. However, in the absence of sufficient and appropriate audit evidence, we are unable to comment whether such software has a feature of recording audit trail (edit log) facility, and whether the audit trail feature has been operated throughout the year for all relevant transaction recorded in the software. Further, we are also unable to comment whether there is any instance of audit trail feature being tampered with or whether the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention for reasons explained above.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the Consolidated Financial Statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks, except as below :

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
1.	ESDS Software Solution Limited	U72200MH2005PLC155433	Holding	ii(b) and vii(b)
2.	Spochub Software Solutions Limited	U72900MH2021PTC355918	Subsidiary	NA

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number - 001595S/S000168


Yogesh Yewale

Partner

Membership No.: 158877

UDIN: 26158877JTNZFH3341

Place: Pune

Date: May 27, 2026



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION LIMITED FOR THE YEAR ENDED MARCH 31, 2026

Auditor's Responsibilities for the Audit of the 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 Holding Company has adequate internal financial controls with reference to Consolidated 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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 information of the 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 entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.



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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.

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 0015955/S000168


Yogesh Yewale

Partner

Membership No. 158877

UDIN: 26158877JTNZFH3341

Place: Pune

Date: May 27, 2026



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESDS SOFTWARE SOLUTION LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of **ESDS Software Solution Limited** on the Consolidated Financial Statements for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the **ESDS Software Solution Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group").

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 reports of the other auditors on internal financial controls with reference to financial statements referred to in the Other Matters section below, the Group, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management's and Board of Director's Responsibilities for Internal Financial Controls

The respective Management and the Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI. 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 consolidated financial statements of the Group, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.



MSKC & Associates LLP

Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 auditors in terms of their reports 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 consolidated financial statements of the Group, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control 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 control with reference to financial statements includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control 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.



MSKC & Associates LLP

Chartered Accountants

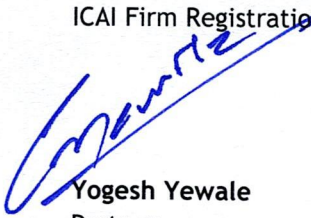
Other Matters

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 consolidated financial statements insofar as it relates to one subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For M S K C & Associates LLP

Chartered Accountants

ICAI Firm Registration Number - 001595S/S000168



Yogesh Yewale

Partner

Membership No.: 158877

UDIN: 26158877JTNZFH3341

Place: Pune

Date: May 27, 2026



ESDS Software Solution Limited
Consolidated Balance Sheet as at March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

Sr. no	Particulars	Notes	March 31, 2026	March 31, 2025
I	ASSETS			
	I. Non-current assets			
	Property, plant and equipment	3	3,164.12	2,850.00
	Right-of-use assets	4	584.41	662.43
	Capital work-in-progress	5	39.92	-
	Other intangible assets	6	130.35	12.70
	Financial assets			
	Investments	7	45.45	42.76
	Other financial assets	8	186.50	182.97
	Income tax assets (net)	9	23.60	23.60
	Other non-current assets	10	63.26	33.60
	Total non-current assets		4,237.61	3,808.06
	II. Current assets			
	Financial assets			
	Trade receivables			
	Billed	11	1,021.26	997.56
	Unbilled	11	633.93	437.28
	Cash and cash equivalents	12	12,533.85	606.79
	Other financial assets	8	456.33	366.81
	Other current assets	13	496.06	343.00
	Total current assets		15,141.43	2,751.44
	Total assets		19,379.04	6,559.50
II	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	14	100.43	100.43
	Other equity			
	Reserves and surplus	15	5,336.16	4,075.38
	Equity attributable to owners of ESDS Software Solution Limited		5,436.59	4,175.81
	Non-controlling interest	39	5.40	-
	Total equity		5,441.99	4,175.81
	LIABILITIES			
	I. Non-current liabilities			
	Financial liabilities			
	Non-current borrowings	16	284.17	405.97
	Lease liabilities	4	375.81	499.89
	Employee benefit obligations	18	96.94	93.07
	Deferred tax Liability (net)	23	142.89	116.49
	Total non-current liabilities		899.81	1,115.42
	II. Current liabilities			
	Financial liabilities			
	Current borrowings	16	145.00	221.16
	Lease liabilities	4	159.72	140.40
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	19	18.17	27.68
	Total outstanding dues of creditors other than micro enterprises and small	19	370.76	262.58
	Other financial liabilities	17	126.64	395.12
	Employee benefit obligations	18	30.07	51.80
	Current tax liabilities (net)	20	229.71	25.00
	Other current liabilities	21	11,957.17	144.53
	Total current liabilities		13,037.24	1,268.27
	Total liabilities		13,937.05	2,383.69
	Total equity and liabilities		19,379.04	6,559.50

Material accounting policies
The accompanying notes form an integral part of consolidated financial statements.

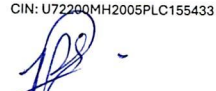
2

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No. U72200MH2005PLC155433


Jogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026



For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026


Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026


Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026


Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

Sr. no	Particulars	Notes	For the Year ended March 31, 2026	For the Year ended March 31, 2025
	Revenue from operations	24	4,722.10	3,613.35
	Other income	25	84.42	153.06
I	Total income		4,806.52	3,766.41
	Expenses			
	Employee benefit expenses	26	1,044.20	941.27
	Finance costs	27	117.90	252.49
	Depreciation and amortisation expenses	28	634.63	622.06
	Other expenses	29	1,335.56	1,123.24
II	Total expenses		3,132.29	2,939.06
III	Profit before exceptional items		1,674.23	827.35
	Exceptional Items		-	1.41
	Profit before tax (I-II)		1,674.23	825.94
	Income tax expense			
	Current tax	22	432.65	245.55
	Prior year taxes	22	36.38	(73.92)
	Deferred tax	22	(3.03)	98.20
IV	Total income tax expense		466.00	269.83
V	Profit for the period [A] (III-IV)		1,208.23	556.11
	Other comprehensive income			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain/(loss) on remeasurement of post-employment benefit plans	31	13.07	(3.02)
	Income tax relating to above		(3.29)	0.85
			9.78	(2.17)
	<i>Items that will be reclassified to profit or loss</i>			
	Gain on foreign exchange differences on translation of foreign operations		8.79	(10.34)
VI	Total other comprehensive income for the period, net of tax [B]		18.57	(12.51)
VII	Total comprehensive income for the period [A+B]		1,226.80	543.60
	Profit is attributable to:			
	Owners of ESDS Software Solution Limited		1,202.83	556.11
	Non-controlling interest		5.40	-
			1,208.23	556.11
	Other comprehensive income is attributable to:			
	Owners of ESDS Software Solution Limited		18.57	(12.51)
	Non-controlling interest		-	-
			18.57	(12.51)
	Total comprehensive income is attributable to:			
	Owners of ESDS Software Solution Limited		1,221.40	543.60
	Non-controlling interest		5.40	-
			1,226.80	543.60
	Basic (face value of equity shares : INR 1 per share)		12.03	5.54
	Diluted (face value of equity shares : INR 1 per share)		11.81	5.54

Material accounting policies
The accompanying notes form an integral part of consolidated financial statements.

2

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No: 001595S/S000168

For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433

Yygesh Yewale
Partner
Membership No.: 158877
Place : Pune
Date: May 27, 2026



Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026

Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026

Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited
Consolidated Statement of Cashflows for the year ended March 31, 2026
(All amounts are in Rupees Million, unless otherwise stated)

Sr. no	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
I	Cash flows from operating activities		
	Profit / before tax	1,674.23	825.94
	Adjustments for		
	Depreciation and amortisation expense	634.63	622.06
	(Gain)/Loss on disposal of property, plant and equipment	(3.74)	(0.78)
	Expected Credit loss allowance	24.37	99.27
	Balance write back	(8.05)	(1.82)
	Interest income	(53.59)	(40.00)
	Finance costs excluding bank charges	108.26	252.49
	Unrealised gain on mutual fund	(2.69)	-
	Employee stock option expenses	47.47	2.25
	Unrealised exchange (gain)/loss	-	9.09
	Cessation of lease liabilities	1.44	(104.93)
	NCI loss in control	-	5.69
	Operating profit before working capital changes	2,422.33	1,669.26
	Changes in working capital		
	(Increase) / decrease in trade receivables	(244.72)	(337.97)
	(Increase) / decrease in other current and non current financial assets	20.74	133.18
	(Increase) / decrease in other current and non current assets	(206.50)	(195.40)
	Increase / (decrease) in trade payables	106.27	59.18
	Increase / (decrease) in employee benefit obligations	(8.08)	16.91
	Increase/ (decrease) in other current and non current financial liabilities	14.39	293.92
	Increase/ (decrease) in other current and non current liabilities	11,812.64	36.08
	Cash generated from operations	13,917.07	1,675.16
	Income taxes paid (net of refunds received)	(239.93)	(41.60)
	Net cash inflow/ (outflow) from operating activities	13,677.14	1,633.56
II	Cash flows from investing activities		
	Payments for property, plant and equipment and intangible assets	(1,258.94)	(1,134.24)
	Investment in fixed deposits with bank (net)	(110.30)	-
	Proceeds from sale of property, plant and equipment	7.43	1.53
	Interest received on fixed deposits	50.10	39.28
	Net cash flows from investing activities	(1,311.71)	(1,093.43)
III	Cash flows from financing activities		
	Repayment of long term borrowing (excluding lease liabilities)	(167.49)	(441.76)
	Repayment of short term borrowing (excluding lease liabilities)	(30.47)	(421.55)
	Payment of Lease liabilities	(195.53)	(226.82)
	Interest paid on borrowings	(53.67)	(170.85)
	Fresh issue of equity shares	-	1,370.87
	Investment in Mutual Funds	-	(42.76)
IV	Net cash inflows/ (outflow) from financing activities	(447.16)	67.13
	Net increase / (decrease) in cash and cash equivalents	11,918.27	607.26
	Foreign currency translation impact on cash and cash equivalents	8.79	(22.94)
	Cash and cash equivalents at the beginning of the financial year	606.79	22.47
V	Cash and cash equivalents at the end of the financial year	12,533.85	606.79

Reconciliation of cash and cash equivalents as per the cash flow statement:

Particulars	March 31, 2026	March 31, 2025
Cash and cash equivalents (Note 12)	12,533.85	606.79
Balances as per statement of cash flows	12,533.85	606.79

Material accounting policies (refer note 2)
The accompanying notes form an integral part of financial statements.
Refer note 4 for cash and non-cash movement of financing activity.

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No: 001595S/S000168


Yogesh Yewale
Partner
Membership No.: 158877
Place: Pune
Date: May 27, 2026



For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433


Piyush Somani
Chairman and Managing Director
DIN :02357582
Place: Nashik
Date: May 27, 2026


Prasad Deokar
Company secretary and compliance officer
M No:A34350
Place: Nashik
Date: May 27, 2026


Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026


Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026



A. Equity share capital

Equity shares of Rs.1 each issued, subscribed and fully paid up

Particulars	
As at March 31, 2024	92.89
Add: Issue of equity shares	7.54
As at March 31, 2025	100.43
Add: Issue of equity shares	-
As at September 30, 2025	100.43

B. Other equity

Particulars	As at March 31, 2024									
	Securities premium account	Capital redemption reserve	Debenture Redemption Reserve	Retained earnings	Foreign currency translation reserve	Revaluation reserve	Share Based Payment Reserve	Remeasurement of defined benefit liability	Non-controlling interest	Total other equity
	1,704.10	3.58	75.00	309.83	(30.50)	100.89	16.07	(12.78)	6.00	2,172.19
	-	-	-	556.11	(10.34)	-	-	-	-	556.11
	-	-	(75.00)	75.00	-	-	-	-	-	(10.34)
	1,404.84	-	-	-	-	-	-	-	-	1,404.84
	Transaction Cost	-	-	-	-	-	-	-	-	-
	Premium on issue of shares	-	-	-	-	-	-	-	-	-
	Transfer from Debenture redemption reserve	-	-	-	-	-	-	-	-	-
	Adjustment of additional depreciation on increase in carrying value	(41.50)	-	-	-	-	-	-	-	(41.50)
	due to fair valuation transferred to retained earnings	-	-	2.50	(2.50)	-	-	-	-	-
	Loss of Subsidiary Control	-	-	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-	(6.00)	(6.00)
	Share Based Payment - Expense recognized for the period	-	-	-	-	2.25	2.25	(2.17)	-	(2.17)
	Total	1,363.34	-	633.61	(10.34)	(2.50)	2.25	(2.17)	(6.00)	1,903.19
		3,067.44	3.58	943.44	(40.84)	98.39	18.32	(14.95)	-	4,075.38
	Profit for the year	-	-	-	-	-	-	-	-	-
	Currency translation adjustments for subsidiaries	-	-	-	8.79	-	-	-	5.40	1,208.23
	Revaluation of land and building	-	-	-	-	-	-	-	-	8.79
	Adjustment of additional depreciation on increase in carrying value	-	-	-	-	-	-	-	-	-
	Deferred tax on revaluation	-	-	-	-	(3.06)	-	-	-	(3.06)
	Other comprehensive income	-	-	-	-	(5.03)	-	-	-	(5.03)
	Transfer to/(from) share based payment reserve	-	-	-	-	-	(11.20)	9.78	-	9.78
	Share Based Payment - Expense recognized for the period	-	-	-	-	-	47.47	-	-	47.47
	Total	-	-	1,214.03	8.79	(8.09)	36.27	9.78	5.40	1,266.18
		3,067.44	3.58	2,157.47	(32.05)	90.30	54.59	(5.17)	5.40	5,341.56
	As at March 31, 2026									

The accompanying notes form an integral part of consolidated financial statements.
Material accounting policies (refer note 2)

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No.: 001595S/S009168

Yogesh Yewale
Partner
Membership No.: 158877
Date: May 27, 2026
Place: Pune



Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026

Komal Somani
Whole Time Director
DIN: 0847154
Place: Nashik
Date: May 27, 2026

Nadukuru Sita Ramalah
Chief Financial Officer
Date: May 27, 2026
Place: Nashik

Prasad Deekar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026



ESDS Software Solution Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

1. Reporting entity

ESDS Software Solution Limited (Formerly known as ESDS Software Solution Private Limited) ('ESDS' or the 'Company') incorporated on August 18, 2005, is engaged in providing IT enabled services (Infrastructure as a service, software as a service and managed services) and supply of IT enabled products closely connected with the rendering of the IT enabled services.

The Company has its registered office in Nashik and runs its business operations in five cities i.e Nashik, Mumbai, Bengaluru, Noida and Mohali.

In addition to its standalone operations, ESDS conducts certain business activities through its subsidiaries, which support its domestic and international expansion strategy:

ESDS Cloud FZ LLC - Incorporated in the United Arab Emirates, this subsidiary facilitates the Company's presence in the Middle East region and supports the delivery of cloud, managed, and IT infrastructure services to customers in international markets.

Spochub Solutions Private Limited - This subsidiary is engaged in technology-driven solutions and complements the Company's service offerings by supporting software development, digital solutions, and related IT-enabled services.

ESDS Global Software Solution Inc - Incorporated in the United States, this subsidiary strengthens the Company's global footprint and enables it to cater to customers in North America through the provision of cloud computing, software, and managed IT services.

Through these subsidiaries, ESDS has expanded its geographical reach and enhanced its capability to serve customers across multiple regions while strengthening its portfolio of cloud and IT-enabled solutions.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2026.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2026 on May 27, 2026.

2(a) Basis of preparation of Financial Statements

(i) Statement of compliance and basis of Preparation

These consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Details of the Group material accounting policies are included in Note 2(c).



ESDS Software Solution Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Holding Company. All amounts have been rounded-off to the nearest million to two decimal points, unless otherwise indicated.

(iii) Basis of measurement

These consolidated financial Statements have been prepared on a historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined benefit plans	Plan assets measured at fair value;

(iv) Going Concern Assumption

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

(v) Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or 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 investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Holding Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(vi) Critical accounting judgements and key sources of estimation uncertainty

In preparing these consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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 recognised in the consolidated Financial Statements are included in the following notes:

a) Critical Accounting Estimates

- Note 33 – The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit



ESDS Software Solution Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2(c).

- Note 3 - Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. The policy for the same has been explained under Note 2(c).
- Note 8 - The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2(c).

2(b) Changes in accounting policies and disclosures

(i) Standards issued and effective from April 01, 2025

The Ministry of corporate Affairs ("MCA") notified amendments on May 07, 2025 and August 13, 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025

- Amendment to Ind AS 21 - Lack of exchangeability

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the standalone financial statements of the Company.

- Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.



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These amendments have no effect on the measurement of any items in the standalone financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

- **Amendment to Ind AS 12 – Pillar-Two Tax Reforms**

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

- **Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement**

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company does not have any supplier finance arrangements.

(ii) **New standards and amendments issued but not effective**

- **Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants**

The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.



2(c) Material accounting policies

(i) Foreign currency

Foreign currency transactions and translation

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Holding Company's functional and Group's presentation currency.

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rates between the transaction date and settlement date are recognised in the profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet,
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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 closing rate.



(ii) Financial Instruments

Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, investments in equity & Mutual funds and eligible current and non-current assets; and
- financial liabilities, which include borrowings, trade payables, lease liability and eligible current and non-current liabilities.

(a) Recognition of Non derivative financial instruments:

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents.

The Group's cash and cash equivalents consist of 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 statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with banks and are considered part of the Group's cash management system.

Investments

Financial instruments measured at fair value through profit or loss ("FVTPL"):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The gain or loss on disposal is recognised in the statement of profit and loss.

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at transaction value except trade receivable that contains significant financing component that are subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables, lease receivables, and eligible current and noncurrent assets. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables that do not contain a significant financing component are measured at the Transaction Price.



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Trade payables and other liabilities

Trade payables are initially recognised at transaction price and subsequently carried at transaction price.

Other liabilities are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value of these instruments.

(b) Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Group retains substantially all the risks and rewards of a transferred financial asset, the Group continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Property, plant and equipment**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost (cash price equivalent), which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Capital work in progress is stated at cost and includes the cost of the assets that are not ready for their intended use at the Balance Sheet date.

PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.



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ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognized in the statement of profit and loss.

Depreciation on property, plant and equipment is provided over the useful life of assets as assessed by the Group is furnished below:

Particulars	Useful lives (years)
Office buildings	60
Computers and data center equipment's	3/4/5/6/10/15
Office equipment	3/4/5/8/10/15/20
Furniture and fittings	10
Vehicles	8

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (up to) the date on which the asset is ready for use / (disposed of).

(iv) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortised over its useful life on straight line basis. The estimated useful life of amortizable intangibles is reviewed and where appropriate is adjusted, annually.

The estimated useful lives of the amortizable intangible assets i.e Computer software are considered as 3 and 10 years.

(v) Impairment**i. Impairment of Financial assets**

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, lease receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using the effective interest rate.

Loss allowances for trade receivables, lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from



all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account risk profiling of customers and historical credit loss experience adjusted for forward looking information.

ii. Impairment of non-financial assets

The Group's non-financial assets such as property, plant and equipment, Goodwill, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss recognised for goodwill is not reversed.

(vi) Leases

The Group as a lessee

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. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, 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.



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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. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(vii) Employee benefits**i. Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Post-employment benefits (defined benefit plans)

The Holding company and subsidiary company incorporated in India provides for retirement benefits in the form of Gratuity. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding company and subsidiary company has obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding company and subsidiary company incorporated in India, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The holding company and subsidiary company incorporated in India determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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 recognized immediately in profit or loss. The Holding company and subsidiary company incorporated in India recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.



iii. Defined contribution plans

The Holding company and subsidiary company incorporated in India makes defined contribution to Government Employee Provident Fund, and Superannuation Scheme, which are recognized in the Statement of Profit and Loss on accrual basis.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(viii) Revenue Recognition

Sale of services: The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from contract with customers is recognized when the Group satisfies performance obligations by transferring promised services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. The 'transaction price' as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. Accumulated experience is used to estimate and provide for the discounts/right of the return, using the expected value method.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Group performs, or
- (b) The customer controls the work-in-progress, or
- (c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the services are rendered which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group



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also considers its present right to receive payment and the customer acceptance in determining the point in time where control has been transferred.

Rendering of services (Turn-key revenue and Webhosting revenue)

The Group provides hosting services, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered based on usage. For fixed-price contracts, revenue is recognised based on the actual service provided to the customer till the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual man hours spent relative to the total expected man hours. Some contracts (Especially in case of Turn-key projects) include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes a usage based fee, revenue is recognised in the amount to which Group has right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

The amount recognised as revenue is exclusive of Goods and service tax and is net of discounts.

Unbilled revenue

Unbilled revenue is recognised when there is excess of revenue earned over billings on contracts. Unbilled revenue are classified as financial asset, when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed price contracts are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Unearned revenue

Unearned revenue relates to billing done for services/ performance obligations which have not been performed as on the date of reporting. These billings are as per the terms of the contract with customers.



Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVTOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

(ix) Dividend:

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

(x) Income tax

Income tax comprises current and deferred tax.

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii. Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill,
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).



Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

(xi) Provisions and Contingent Liabilities

The Group estimates the provisions that have present obligations as a result of past events, and it is probable that an outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

(xii) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ('SBP') reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.



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The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(xiii) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xiv) Segment reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(xv) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



3 Property, plant and equipment

Particulars	Leasehold land	Leasehold improvements	Buildings	Computer and data centre equipment	Office equipments	Furniture & fixture	Vehicles	Total
Gross carrying value								
Opening gross carrying amount as at April 01, 2024	85.70	53.19	132.52	2,736.51	457.40	73.21	45.23	3,583.76
Additions	-	-	-	1,108.11	17.12	8.99	-	1,134.22
Disposals	-	-	-	-	-	-	(3.56)	(3.56)
Gross carrying amount as at March 31, 2025	85.70	53.19	132.52	3,844.62	474.52	82.20	41.67	4,714.42
Accumulated depreciation till April 01, 2024	4.30	4.65	11.74	1,033.51	294.43	33.96	20.65	1,403.24
Depreciation charge	0.77	0.93	1.57	353.30	90.96	8.83	5.14	461.50
Revaluation of assets	1.50	-	1.00	-	-	-	-	2.50
Accumulated depreciation on disposals	-	-	-	-	-	-	(2.82)	(2.82)
Closing accumulated depreciation as at March 31, 2025	6.57	5.58	14.31	1,386.81	385.39	42.79	22.97	1,864.42
Net carrying amount as at March 31, 2025	79.13	47.61	118.21	2,457.81	89.13	39.41	18.70	2,850.00

Particulars	Leasehold land	Leasehold improvements	Buildings	Computer and data centre equipment	Office equipments	Furniture & fixture	Vehicles	Total
Gross carrying value								
Opening gross carrying amount as on April 01, 2025	85.70	53.19	132.52	3,844.62	474.52	82.20	41.67	4,714.42
Additions	-	-	-	790.25	14.22	25.44	8.32	838.23
Reclassified from ROU assets	-	-	-	13.02	-	-	-	13.02
Disposals	-	-	-	-	(13.23)	-	(4.44)	(17.67)
Gross carrying amount as at March 31, 2026	85.70	53.19	132.52	4,647.89	475.51	107.64	45.55	5,548.00
Accumulated depreciation till April 01, 2025	6.57	5.58	14.31	1,386.81	385.39	42.79	22.97	1,864.42
Depreciation charge	0.62	1.36	1.96	489.20	24.44	7.85	4.95	530.38
Depreciation on revaluation	1.64	-	1.42	-	-	-	-	3.06
Accumulated depreciation on disposals	-	-	-	-	(10.81)	-	(3.17)	(13.98)
Closing accumulated depreciation as at March 31, 2026	8.83	6.94	17.69	1,876.01	399.02	50.64	24.75	2,383.88
Net carrying amount as at March 31, 2026	76.87	46.25	114.83	2,771.88	76.49	57.00	20.80	3,164.12



4 Right-of-use assets and Lease liabilities

Particulars	Premises	Equipments	Total
Gross carrying value			
Balance as at April 01, 2024	1,078.08	266.02	1,344.10
Additions	23.77	-	23.77
Disposals	(467.82)	-	(467.82)
Balance as at March 31, 2025	634.03	266.02	900.05
Accumulated depreciation			
Balance as at April 01, 2024	326.17	23.42	349.59
Amortisation expenses	96.16	26.86	123.02
Disposals	(234.99)	-	(234.99)
Balance as at March 31, 2025	187.34	50.28	237.62
Net carrying value as on March 31, 2025	446.69	215.74	662.43
Gross carrying value			
Balance as at April 01, 2025	634.03	266.02	900.05
Additions	36.63	-	36.63
Disposals*	-	(28.92)	(28.92)
Balance as at March 31, 2026	670.66	237.10	907.76
Accumulated depreciation			
Balance as at April 01, 2025	187.34	50.28	237.62
Amortisation expenses	72.05	28.14	100.19
Disposals*	-	(14.46)	(14.46)
Balance as at March 31, 2026	259.39	63.96	323.35
Net carrying value as on March 31, 2026	411.27	173.14	584.41

The following is the break-up of current and non-current lease liabilities :

Particulars	March 31, 2026	March 31, 2025
Lease liabilities		
Non-current	375.81	499.89
Current	159.72	140.40
Total	535.53	640.29

The following is the movement in lease liabilities

Particulars	March 31, 2026	March 31, 2025
Balance as at beginning	640.29	1,097.61
Additions	36.18	22.17
Deletion	-	(334.32)
Interest expense on lease liability	54.59	81.65
Payment	(195.53)	(226.82)
Balance as at end	535.53	640.29

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

Particulars	March 31, 2026	March 31, 2025
Within 1 year	159.59	194.09
Between 1-5 years	455.80	573.12
More than 5 years	63.02	50.06
Total	678.41	817.27

Amounts recognised in Statement of profit and loss:

Particulars	March 31, 2026	March 31, 2025
Amortisation expense	100.19	123.02
Interest expense on lease liability	54.59	81.65
Total	154.78	204.67



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***5 Capital Work in Progress**

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2025	-
Additions	39.92
Disposals	-
Gross carrying amount as on March 31, 2026	39.92

Capital work-in-progress ageing schedule as on March 31, 2026

Particulars	Less than 1 year	1-2 year	6 Months to 1 year	2-3 year	More than 3 year	Total
Projects in progress	39.92			-	-	39.92
Projects temporarily suspended	-			-	-	-
Total	39.92			-	-	39.92

Note: There are no projects that have exceeded the budgeted cost and timeline.



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***6 Other Intangible assets**

Particulars	Software
Gross carrying value	
Balance as at April 01, 2024	211.24
Additions	-
Disposals	-
Balance as at March 31, 2025	211.24
Accumulated Amortisation	
Balance as at April 01, 2024	163.50
Amortisation charge	35.04
Balance as at March 31, 2025	198.54
Net carrying value as at March 31, 2025	12.70
Gross carrying value	
Balance as at April 01, 2025	211.24
Additions	121.71
Disposals	-
Balance as at March 31, 2026	332.95
Accumulated Amortisation	
Balance as at April 01, 2025	198.54
Amortisation charge	4.06
Balance as at March 31, 2026	202.60
Net carrying value as at March 31, 2026	130.35



7 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Quoted at FVTPL		
In Mutual funds		
Aditya Birla mutual funds*	45.45	42.76
Total Investments	45.45	42.76
Aggregate value of Quoted Investments	45.45	42.76

*held as collateral against non-current borrowings
Refer note 34 for fair value measurement.
Refer note 35 for information on company's Risk management process.

8 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Term deposits with banks	109.97	85.70
Accrued interest on above deposits		
Other receivables	4.70	3.23
Aditya Birla Mutual funds		
Security deposit	71.83	94.04
Total non-current financial assets	186.50	182.97
Current		
Term deposits with banks	450.74	364.71
Accrued interest on term deposits	5.39	1.90
Other receivables	0.20	0.20
Total current financial assets	456.33	366.81

Refer note 34 for fair value measurement.
Refer note 35 for information on company's Risk management process.

9 Income tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax balance receivable	23.60	23.60
Total Income tax assets	23.60	23.60

10 Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	9.82	33.60
Prepaid expenses	53.44	-
Total other non-current assets	63.26	33.60

11 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (unsecured)		
Considered good	1,351.46	1,309.28
Significant increase in credit risk	15.65	15.65
Less: expected credit loss allowance	(330.20)	(311.72)
Less: credit impaired	(15.65)	(15.65)
Total	1,021.26	997.56
Unbilled revenue	633.93	437.28
Total	633.93	437.28
Total trade receivables	1,655.19	1,434.84

Refer note 35 for information on company's Risk management process.
Refer note 32 for related party transactions.
No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and the Company does not hold any collateral security.

Ageing Schedule:
Outstanding for following period from the date of transaction as at March 31, 2026



Particulars	Unbilled	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Loss Allowance	Total
Undisputed trade receivables – considered good	-	936.18	188.41	130.87	39.41	56.59	(330.20)	1,021.26
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	15.65	(15.65)	-
Unbilled Receivable	633.93	-	-	-	-	-	-	633.93
Total trade receivables	633.93	936.18	188.41	130.87	39.41	72.24	(345.85)	1,655.19



ESDS Software Solution Limited

Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026

(All amounts are in Rupees million, unless otherwise stated)

Outstanding for following period from the date of transaction as at March 31, 2025

Particulars	Unbilled	Less than 6 months	6 Months to 1 year	1 -2 years	2 -3 years	More than 3 years	Loss Allowance	Total
Undisputed trade receivables – considered good	-	978.21	164.10	84.73	17.89	64.35	(311.72)	997.56
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	15.65	(15.65)	-
Unbilled Receivable	437.28	-	-	-	-	-	-	437.28
Total trade receivables	437.28	978.21	164.10	84.73	17.89	80.00	(327.37)	1,434.84

12 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
-In current accounts	12,444.32	456.50
-In deposits with original maturity of less than 3 months	89.20	150.00
Cash in hand	0.33	0.29
Total cash and cash equivalents	12,533.85	606.79

Refer note 35 for information on company's Risk management process.

13 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses*	279.41	273.58
Advances to creditors	165.49	25.06
Advances to employees	2.70	1.53
Balances with statutory authorities	48.46	42.83
Total other current assets	496.06	343.00

*Prepaid expense includes share issue expenses in connection with the proposed IPO by the company of Rs. 107.34 million (March 31, 2025 - Rs. 46.15 million)



14 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
46,00,00,000 (March 31, 2025 : 46,00,00,000) equity shares of Rs 1/- each	460.00	115.00
Total	460.00	115.00
Issued, subscribed and paid up :		
Equity share capital		
10,04,27,753 (March 31, 2025 : 10,04,27,753) equity shares of Rs 1/- each fully paid up	100.43	100.43
Total	100.43	100.43

(i) Reconciliation of equity shares issued

Particulars	As at March 31, 2026		As at March 31, 2025	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning	10,04,27,753	100.43	9,28,94,185	92.89
Add: Issue of equity shares	-	-	75,33,568	7.54
Shares outstanding at the end	10,04,27,753	100.43	10,04,27,753	100.43

(ii) Terms/ rights attached to equity shares

The equity shares referred to as 'Ordinary equity shares' have a par value of Rs. 1 each. All Ordinary equity shares rank equally with regard to dividend and share in the Group's residual assets. Equity shares are entitled to receive dividend declared from time to time subject to payment of dividend to preference shareholders. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iii) Details of shareholders holding more than 5% equity shares is set out below

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	% holding	No. of shares	% holding	No. of shares
Piyush Somani	24.54%	2,46,48,670	24.54%	2,46,48,670
PO Somani Family Trust	11.19%	1,12,33,739	11.19%	1,12,33,739
Komal Somani	10.13%	1,01,74,322	10.13%	1,01,74,322
Mukul Agrawal	7.00%	70,32,960	7.00%	70,32,960
Total number of shares		5,30,89,691		5,30,89,691

(iv) Details of shareholding of promoters is set out below

Shares held by promoters at the end of the year	As at March 31, 2026		As at March 31, 2025		% change
	% holding	No. of shares	% holding	No. of shares	
Piyush Somani	24.54%	2,46,48,670	24.54%	2,46,48,670	0%
PO Somani Family Trust	11.19%	1,12,33,739	11.19%	1,12,33,739	0%
Komal Somani	10.13%	1,01,74,322	10.13%	1,01,74,322	0%

Shares held by promoters at the end of the year	As at March 31, 2026		As at March 31, 2025		% change
	% holding	No. of shares	% holding	No. of shares	
Piyush Somani	24.54%	2,46,48,670	28.91%	2,68,52,696	-4%
PO Somani Family Trust	11.19%	1,12,33,739	24.19%	2,24,67,478	-13%
Komal Somani	10.13%	1,01,74,322	0.00%	11	10%

(v) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date.

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date

(vi) During the financial year 2024-25, the Board of Directors approved the ESDS Employees' Stock Ownership Plan, 2024 ("ESOP 2024"). Under the Plan, stock options are granted to eligible employees of the Group, as identified by the Nomination and Remuneration Committee. Each option is convertible into one equity share of the Group having a face value of ₹1, in accordance with the terms of the Plan. Upon vesting, employees are entitled to acquire one equity share for every option exercised.

A total of 20,60,000 options were granted under the plan. These options vest over a specified period or upon achievement of certain performance milestones, subject to a minimum vesting period of one year. The options were granted on February 28, 2025. The number of options outstanding with the Holding Group as at March 31, 2026 was 17,87,000 (March 31, 2025: 20,50,000).

During the year, 68,000 ESOP options were transferred to a subsidiary pursuant to an employee transfer arrangement between ESDS Software Solution Limited and Spochub Software Solutions Limited. Accordingly, the number of options outstanding in the subsidiary as at March 31, 2026 was 68,000 (March 31, 2025: Nil).

15 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Retained earnings		
Opening balance	943.44	309.83
Profit attributable to shareholders of the Group	1,202.83	556.11
Add/Less:		
Transfer to /(from) share based payment reserve	11.20	-
Transfer from Debenture redemption reserve	-	75.00
Adjustment of additional depreciation on increase in carrying value due to fair valuation	-	2.50
Total retained earnings	2,157.47	943.44
(ii) Other comprehensive income		
Opening balance	(14.95)	(12.78)
Add/ (Less) :		
Profit for the period	9.78	(2.17)
Total other comprehensive income	(5.17)	(14.95)
(iii) Securities premium		
Opening balance	3,067.44	1,704.10
Add: Premium on issue of equity shares	-	1,404.84
Less: Transaction cost	-	(41.50)
Total securities premium	3,067.44	3,067.44
(iv) Capital redemption reserve		
Opening balance	3.58	3.58
Total capital redemption reserve	3.58	3.58
(v) Debenture redemption reserve		
Opening balance	-	75.00
Add: Transfer from / (to) retained earnings	-	(75.00)
Total debenture redemption reserve	-	-
(vi) Foreign currency translation reserve		
Opening balance	(40.84)	(30.50)
Add : Currency translation adjustments for subsidiaries	8.79	(10.34)
Total foreign currency translation reserve	(32.05)	(40.84)
(vii) Revaluation reserve		
Opening balance	98.39	100.89
Less: adjustment of depreciation	(3.06)	(2.50)
Less: deferred tax on revaluation	(5.03)	-
Total revaluation reserve	90.30	98.39
(viii) Share based payment reserve		
Opening balance	18.32	16.07
Share based compensated expense	47.47	2.25
Transfer to free reserve on account of exercised option	(11.20)	-
Total share based payment reserve	54.59	18.32
Total Reserves & Surplus	5,336.16	4,075.38



II) Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Capital Redemption Reserve

Capital redemption reserve is created on account of redemption of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.

c) Foreign currency translation reserve

Gains/losses arising on retranslating the net assets of foreign operations into INR. The cumulative amount is reclassified to profit or loss when the foreign operation is disposed-off.

d) Revaluation Reserve

Revaluation reserve has been created on account of revaluation of land and building, adjusted with additional depreciation and taxes on the same.

e) Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option.

f) Retained earnings

Retained earnings represents the cumulative undistributed profits of the Group and can be utilised in accordance with the provisions of the Act.

g) Debenture redemption reserve

Debenture redemption reserve have been created at 10% of the value of the outstanding non-convertible debentures. Company needs to invest/deposit into Debenture Redemption Fund Investment account at 15% of the amount to be redeemed if any in next financial year.



16 Financial liabilities
Non-current borrowings*

Particulars	As at March 31, 2026	As at March 31, 2025
Secured:		
Term loans		
From banks	11.80	69.29
From financial institutions	394.17	504.17
Total	405.97	573.46
Less : Current maturities of non-current borrowings	(121.80)	(167.49)
Total non - current borrowings	284.17	405.97

Current borrowings*

Particulars	As at March 31, 2026	As at March 31, 2025
Secured:		
Demand loans from banks	23.20	53.67
Current maturities of non-current borrowings	121.80	167.49
Total current borrowings	145.00	221.16



ESDS Software Solution Limited
Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

Note A:

Sr. No	Name of the bank	Type of Facility	O/s amount for the year ended March 31, 2026	O/s amount for the year ended March 31, 2025	Residual repayment term	Interest Rate (per annum)	Security
1	Axis Bank Limited	Term Loans	11.80	69.29	1 year	Ranging from 8.75% to 8.80%	Primary – First pari pasu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral – 1.First pari pasu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 2.First pari pasu charged with Indusind INR 113.00 Million 3.Exclusive charge on FD of Rs. 10 Million Common Collateral (for all the facilities) - Pari Pasu charge with Indusind on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 4.PG Piyush Somani & Sarla Somani
2	Axis Bank Limited	Cash Credit	23.20	53.67	On Demand	11.25%	Primary – First pari pasu charge on entire current Asset of the company both present and future excluded charged to SIDBI Collateral – 1.First pari pasu charge with Indusind on land and building of the company, situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 2.First pari pasu charged with Indusind INR 113.00 Million 3.Exclusive charge on FD of Rs. 10 Million Common Collateral (for all the facilities) - Pari Pasu charge with Indusind on – Industrial land & building situated at Plot No. B-24 & 25, NICE Industrial Area, Satpur, MIDC, Nashik, Maharashtra – 422007 4.PG Piyush Somani & Sarla Somani
3	Aditya Birla Finance Limited	Term Loans	394.17	504.17	3.33 years	10.25%	1. 1st Pari passu charge by way of mortgage (if any) on all immovable fixed assets (present and future) of the Borrower (except for the land and building at Nashik and except for any future asset financed and secured exclusively by any particular lender), among all term lenders proportionately 2. 1st Pari passu charge over all movable fixed assets (present and future) of the Borrower including all patented technology and products, proportionate to outstanding amount among all term lenders proportionately. 3. Cash Flow equivalent to Rs.2.5 Crores per month to be routed through designated account in favour of ABFL & to be maintained throughout Facility tenor. 4. 2nd Pari passu charge over entire current assets, book debts, receivables and cash flows, present and future, of the Borrower. 5. Personal Guarantees of Mr. Piyush Somani & Ms. Komal Somani. PG of Ms. Komal Somani shall be released upon submission of audited financial statement of the Borrower wherein the Borrower has achieved an EBITDA of Rs.120 Crores in any fiscal year.
Total			429.17	627.13			



17 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Capital creditors	83.30	366.16
Employee benefits payable	33.67	17.16
Other payables	9.67	11.80
Total other current financial liabilities	126.64	395.12

18 Employee benefit obligations

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Gratuity [refer note:33]	96.94	93.07
Total non-current obligations	96.94	93.07
Current		
Gratuity [refer note:33]	1.50	2.00
Compensated absences	28.57	49.80
Total current obligations	30.07	51.80

19 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
-Total outstanding dues to Micro and small enterprises (refer note below)	18.17	27.68
-Total outstanding dues to other than Micro and small enterprises	370.76	262.58
Total trade payables	388.93	290.26

Trade payables are non-interest bearing and are normally settled in 30-45 days terms.
There are no unbilled dues for the trade payables as on the balance sheet date.
Refer note no.: 35 for information about the company's financial risks management process.
Refer note no.: 32 for related party disclosures

Ageing Schedule

Outstanding for following period from the date of transaction as at March 31, 2026

Particulars	Payables not due	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
MSME	-	18.17	-	-	-	18.17
Others	111.37	257.39	1.27	0.25	0.48	370.76
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	111.37	275.56	1.27	0.25	0.48	388.93

Outstanding for following period from the date of transaction as at March 31, 2025

Particulars	Payables not due	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
MSME	-	27.67	-	0.01	-	27.68
Others	55.56	169.72	0.02	-	11.60	236.90
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	25.68	-	25.68
Total	55.56	197.39	0.02	25.69	11.60	290.26

Disclosure pursuant to Micro, Small & Medium Enterprises Development Act, 2006 for dues to micro, small & medium enterprises is as under

Sr. No	Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	March 31, 2026	March 31, 2025
1	Principal amount due to suppliers registered per the MSMED Act and remaining unpaid as at year end	18.17	27.68
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.06
3	Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
4	Amount of interest due and payable for the period of delay in making payments but without adding interest specified under MSMED Act, 2006	-	-
5	The amount of interest accrued and remaining unpaid at the end of year	-	0.06
6	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-



20 Current tax liabilities (net)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Provision for tax (net)	229.71	25.00
Total current tax liabilities	229.71	25.00

21 Other current liabilities

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Statutory liabilities	31.72	43.35
Advance from customers	11,875.83	7.35
Unearned revenue	49.58	93.79
Unpaid dividend on Preferences Shares	0.04	0.04
Total other current liabilities	11,957.17	144.53



22 Income tax expense

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax	432.65	245.55
Prior year taxes	36.38	-
Deferred tax (net of MAT)	(3.03)	24.28
Income tax expense	466.00	269.83
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expenses	1,674.23	825.94
Tax at the Indian tax rate of 25.168% (FY 2024-25- 27.82%)	421.37	229.78
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure and others	(2.02)	0.91
Other comprehensive income	-	0.85
MAT balance written off	25.16	-
Impact of change in rate of tax	(11.44)	-
Prior year taxes	36.38	-
Others	(3.45)	38.29
Total	44.63	40.05
Net current tax expenses recognised in Statement of Profit & Loss	466.00	269.83

23 Deferred tax (net)

(a) Breakup of deferred tax liability:

Particulars	As at March 31, 2026	As at March 31, 2025
Net Deferred tax (assets)/liabilities**	142.89	116.49
Deferred tax assets/liabilities arise from the following:		
Tax credits available:		
MAT credit receivable	(25.16)	25.16
Deferred tax assets		
Gratuity & compensated absences	31.96	42.50
Provision for doubtful debts	87.04	91.07
Lease liabilities	134.78	178.13
Prior year impact		
	228.62	336.86
Deferred tax liability		
PPE depreciation and intangible amortization	219.40	269.06
Right use of assets	147.08	184.29
Revaluation of Property, plant and equipment	5.03	-
	371.51	453.35

**Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

(b) Movement in deferred tax (assets)/ liabilities:

Movement in deferred tax (assets)/ liabilities:	As at March 31, 2026	As at March 31, 2025
Opening deferred tax (assets) / liabilities	116.49	56.48
Revaluation of Property, plant and equipment	5.03	-
Mat credit entitlement	50.32	37.98
Gratuity and compensated absences	10.54	(3.67)
Provision for doubtful debts	4.03	(27.73)
Lease liabilities	43.35	127.23
Right use of assets	(37.21)	(91.22)
Income tax business loss setoff	-	53.00
PPE depreciation and intangible amortization	(49.66)	(35.58)
Closing deferred tax liability after set off	142.89	116.49



24 Revenue from operations

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Sale of services		
Cloud hosting and managed services	4,722.10	3,613.35
Total revenue from operations	4,722.10	3,613.35

A. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Contract price	4,481.24	3,269.88
Adjustments for:		
Unbilled revenue	196.65	437.27
Unearned revenue	44.21	(93.80)
Revenue from operations	4,722.10	3,613.35

B. Disaggregation of revenue by geography:

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
India	3,517.69	2,743.37
Outside India	1,204.41	869.98
Total	4,722.10	3,613.35

C. Disaggregation by nature of services:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cloud hosting and managed services	4,722.10	3,613.35
Total	4,722.10	3,613.35

D. Timing of revenue recognition:

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Services transferred over time	3,516.89	3,461.43
Point in time (delivery to customer)	1,205.21	151.92
Total	4,722.10	3,613.35

E. Contract balances:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables	1,021.26	997.56
Unbilled revenue	633.93	437.28
Unearned revenue	49.58	93.79
Advance from customers	11,875.83	7.35
Total	13,580.60	1,535.98

25 Other income

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Interest income from:		
Deposits with banks	53.59	39.28
Income tax refund	-	6.28
Foreign exchange fluctuation gain (net)	11.81	-
Fair value gain on investments	2.69	-
Profit on sale of assets	3.74	0.78
NCI loss in control	-	(5.69)
Cessation of lease liabilities	-	104.93
Unwinding of discount on security deposits	1.62	0.72



Miscellaneous income	10.97	6.76
Total other income	84.42	153.06



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***26 Employee benefit expense**

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Salaries, wages and bonus	943.13	882.79
Contribution to provident and other funds	27.01	26.38
Employee stock option scheme expense	47.47	2.25
Staff welfare expenses	26.59	29.85
Total employee benefit expense	1,044.20	941.27

27 Finance costs

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Interest expense on:		
- Borrowings	50.98	159.25
- Lease liabilities	54.59	81.65
- MSME	-	0.06
Bank charges	9.64	7.37
Other borrowing costs	2.69	4.16
Total finance costs	117.90	252.49



ESDS Software Solution Limited
Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)
28 Depreciation and amortization expense

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Depreciation of property, plant and equipment	530.38	464.00
Amortisation of intangible assets	4.06	35.04
Amortisation of right-of-use asset	100.19	123.02
Total depreciation and amortisation expense	634.63	622.06

29 Other expenses

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
Membership and subscription charges	217.56	206.80
Power and fuel charges	211.71	197.43
Project servicing cost	259.58	190.43
Communication expenses	126.01	90.43
Charge for non-performance of obligation	57.18	-
Legal and professional charges	121.15	115.29
Expected credit loss allowance [refer note no : 35]	24.37	99.27
Advertisement and sales promotion	46.71	35.80
Contract fulfillment costs	28.24	16.87
Travel and conveyance	46.55	40.46
Contract labour charges	30.71	30.19
Rates and taxes	20.57	3.76
Insurance	17.49	14.20
Rental charges	27.68	9.55
Commission/Brokerage	29.23	23.52
Office expenses	13.96	7.01
Corporate social responsibility expenditure	6.59	0.91
Directors sitting fees	9.50	3.54
Computers	1.18	0.35
Building	-	-
Buildings	18.88	-
Others	8.53	13.31
Foreign exchange fluctuation loss (net)	-	9.09
Payment to auditors [refer note below]	3.34	3.32
Miscellaneous expenses	8.84	11.71
Total other expenses	1,335.56	1,123.24

Auditor's Remuneration

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
As auditor		
Statutory audit fee	3.34	2.80
Tax audit fee	-	0.23
Other services	-	0.20
Total Auditor's remuneration	3.34	3.23



ESDS Software Solution Limited
Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026
(All amounts are in Rupees million, unless otherwise stated)

30 Earnings per share

a) Earnings per share

Particulars	For the year ended March 31, 2026	For the Year ended March 31, 2025
(i) Basic earnings per share		
Profit attributable to equity shareholders of the Company	1,208.23	556.11
Weighted average number of equity shares	10,04,27,753	10,04,27,753
Basic earnings per share	12.03	5.54
(ii) Diluted earnings per share		
Profit attributable to equity shareholders of the Company	1,208.23	556.11
Weighted average number of equity shares (including potential shares)	10,22,90,753	10,04,27,753
Diluted earnings per share	11.81	5.54

(b) Weighted average number of shares used as denominator

Particulars	For the year ended March 31, 2026	Year ended March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,04,27,753	10,04,27,753
Adjustments for calculation of diluted earnings per share:		
Number of ESOPS	18,63,000	-
Weighted average number of equity shares and potential shares used as the denominator in calculating diluted earnings per share	10,22,90,753	10,04,27,753



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***31 Contingencies and commitments****i) Capital commitments**

Particulars	March 31, 2026	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances)	174.44	257.09

ii) Contingent liabilities (to the extent not provided for)

Particulars	September 30, 2025	March 31, 2025
Claims against the company not acknowledged as debts		
Other matters [Refer ii (b)]	2.62	2.62
Guarantees excluding financial guarantees		
Performance Bank guarantees given to customers	526.04	472.27
Tax litigations		
GST demands on improper availment of ITC for the years 2019-20 to 2020-21	23.01	10.09
Total	551.67	484.98

iii) Other Matters

- a) In 2022, Mr Rajeew Papneja an ex-employee of the company has filed the petition in Bombay high court alleging that an oral contract was agreed with the company for issuance of certain number of shares under ESOP owing to services rendered by him to the company, claim amounting to Rs. 184.80 million. The company has filed an application before the bombay high court challenging its jurisdiction to adjudicate the matter.

The company does not foresee any probable outflow in the matter and accordingly has not specifically disclosed the quantum under contingent liability.

- b) In Feb 2022, Company has received a legal notice from Sara Infoway ITES India for non-payment of outstanding dues of Rs. 15.38 million (including interest @ 18% p.a. of Rs 2.34 million/-). Additionally, an amount of Rs. 0.30 million /- is being sought as advocate fee for serving the legal notice. As per books of accounts of the Company, outstanding dues of Rs. 13.06 million are being reflected. As of now, the company is carefully reviewing the vendor's claims and assessing its legal obligations in this matter. The company is actively exploring options for resolving the dispute, which may include negotiations, seeking legal advice, or pursuing a settlement to mitigate any financial impact.



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***32 Related party transactions**

Related Party	Relation
Individuals having Significant influence over Reporting Entity(RE)	
Piyush Somani	Chairman and Managing Director
Shubhashis Nag	Director in Subsidiary company
Ranjan Singh	Director in Subsidiary company
Relatives of such individuals:	
Pooja Somani	Sister of Chairman and Managing Director
Prajakta Somani Jadhav	Sister of Chairman and Managing Director
Individuals who are Key Managerial Personnel (KMP) of RE or KMP of Parent of RE	
Komal Somani	Whole Time Director (w.e.f July 28, 2021)
Jitendra Pathak	Whole Time Director (w.e.f February 04, 2025)
Nadukuru Sita Ramiah	Chief Financial Officer (From October 31, 2022)
T.G. Dhandapani	Independent Director (from July 28, 2021)
Venkatesh Natrajan	Independent Director (from July 01, 2023)
Pamela Kumar	Independent Director (from July 28, 2021)
Prasad Deokar	Compliance Officer and Company Secretary (From July 13, 2022)
Individual RP having control/JC over another entity (having transaction with the Company)	
Great Ideas in Action LLP	Komal Somani: Designated partner



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***32 Related party disclosures****I Nature of transactions and amounts**

Nature of transactions	Amount	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A) Salaries and allowances		
i) Key Managerial Personnel (KMP)		
Prasad Deokar	2.12	1.40
Nadukuru Sita Ramiah	5.40	7.14
ii) Relatives of KMP		
Prajakta Somani Jadhav	0.45	2.50
Pooja Somani	1.14	1.14
B) Director remuneration to KMP		
Komal Somani	7.77	5.43
Piyush Somani	14.67	10.78
Jitendra Pathak	14.76	9.79
C) Director sitting fees		
T.G. Dhandapani	0.93	1.37
Pamela Kumar	0.89	0.95
Venkatesh Natrajan	0.93	1.23
D) Professional Fees		
T.G. Dhandapani	-	0.12
Venkatesh Natrajan	-	0.12



ESDS Software Solution Limited**Notes Forming Part of Consolidated Financial Statements for the year ended March 31, 2026***(All amounts are in Rupees million, unless otherwise stated)***II Outstanding receivable/(payable) balances**

Nature of transactions	Outstanding balances	
	As at March 31, 2026	As at March 31, 2025
A) Director Sitting Fees Payable		
T.G. Dhandapani	-	0.32
Pamela Kumar	-	0.28
Venkatesh Natrajan	-	0.32
B) Payables		
i) Individuals having control over another entity		
Great Ideas in Action LLP	-	0.63

III Terms and conditions for outstanding balances

All Outstanding balances are unsecured and payable in cash.



33 Employee benefit obligations**A. Defined contribution plans :**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Group has no obligation other than to make the specified contribution. The contribution is charged to Statement of Profit and Loss as it accrues. The amount recognised as an expense towards contribution to Provident Fund for the period aggregated to Rs.26.53 million (March 31, 2025: 26.14 million) and other funds to Rs.0.48 million (March 31, 2025: 0.24 million).

B Defined benefit plan

The Group provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(a) Movements in the present value of the defined obligation are as follows:		As at March 31, 2026	As at March 31, 2025
Obligation at the beginning of the year		95.07	77.03
Current service cost		15.21	19.47
Past service cost		2.25	
Interest expense		7.85	5.20
Transfer In / (out)		-	-
Benefits paid		(8.87)	(9.65)
Actuarial losses (gains) arising from change in financial assumptions		(11.16)	4.63
Actuarial losses (gains) arising from experience adjustments		(1.91)	(1.61)
Liability at the end of the year		98.44	95.07

(b) The net liability disclosed above relates to funded and unfunded plans are as follows:		As at March 31, 2026	As at March 31, 2025
Present value of funded obligations		-	-
Fair value of plan assets		-	-
Deficit of funded plans		-	-
Unfunded plans		98.44	95.07
Deficit of Gratuity Plan		98.44	95.07

(c) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	As at March 31, 2026	As at March 31, 2025
Service cost	15.21	19.47
Net interest (income)/expense	7.85	5.20
Net gratuity cost	23.06	24.67

(d) Expenses recognized in statement of other comprehensive income:

Remeasurement	As at March 31, 2026	As at March 31, 2025
Remeasurement for the year - obligation (gain)/loss	(13.07)	3.02
Total Remeasurement Cost/(credit) for the year recognised in OCI	(13.07)	3.02



(e) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:	As at March 31, 2026	As at March 31, 2025
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate	7.50%	6.75%
Rate of growth in compensation level	7.00%	7.00%
Expected average remaining working lives of employees (in years)	60 years	60 years
Attrition rate	5% to 1%	5% to 1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption	Defined benefit obligation	
	As at March 31, 2026	As at March 31, 2025
(i) 1% increase in discount rate	86.18	82.63
(ii) 1% decrease in discount rate	112.72	110.18
(iii) 1% increase in rate of salary escalation	112.65	109.98
(iv) 1% decrease in rate of salary escalation	86.02	82.55
(v) 1% increase in rate of withdrawal	99.05	94.76
(iv) 1% decrease in rate of withdrawal	97.74	95.41

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 1%, keeping all other actuarial assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected contributions to the defined benefits plan in future year:

Particulars	As at March 31, 2026	March 31, 2025
Year 1	1.82	2.00
Year 2	3.58	3.10
Year 3	3.45	3.25
Year 4	3.33	2.88
Year 5	3.22	3.65
Year 6 to 10	6.53	12.68

Liability Risks

Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Asset Risks

The Group does not have any investment in plan assets, as the gratuity plan is a non funded plan. In case of any liability arises on account of gratuity, the group will pay off the amount from the available sources of funds.



34 Fair value measurements
Financial instruments by category

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Non- current financial assets				
Investments in Mutual Funds	45.45	-	42.76	-
Other financial assets	-	186.50	-	182.97
Current financial assets				
Trade receivables	-	1,655.19	-	1,434.84
Cash and cash equivalents	-	12,533.85	-	606.79
Other financial assets	-	456.33	-	366.81
Total financial assets	45.45	14,831.87	42.76	2,591.41
Financial liabilities				
Non-current financial liabilities				
Non-current borrowings	-	284.17	-	405.97
Lease liabilities	-	375.81	-	499.89
Current financial liabilities				
Current borrowings	-	145.00	-	221.16
Lease liabilities	-	159.72	-	140.40
Trade payables	-	388.93	-	290.26
Other financial liabilities	-	126.64	-	395.12
Total financial liabilities	-	1,480.27	-	1,952.80

The management assessed that the fair value of cash and cash equivalents, borrowings, lease liability, trade receivables, trade payables and other financial assets and other financial liabilities approximate their carrying amounts largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is 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 management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.



i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2026

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at Fair value through Profit or Loss				
Investment in Mutual Fund	45.45	-	-	45.45
Total financial assets	45.45	-	-	45.45

As at March 31, 2025

Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at Fair value through Profit or Loss				
Investments in Mutual funds	42.76	-	-	42.76
Total financial assets	42.76	-	-	42.76

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous period.



35 Financial risk management

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables (including capital creditors). The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans given, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group is exposed to the following risks from the use of financial instruments:

- (a) credit risk,
 - (b) liquidity risk, and
 - (c) market risk,
- (i) foreign currency exchange risk, and
 - (ii) interest rate risk.

The Group's senior management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) Credit Risk

The Group is exposed to credit risk as a result of counterparties defaulting their obligations. The Group's exposure to credit risk primarily relates to trade receivables. The Group monitors and limits its exposure to credit risks on a reasonable basis. The Group's credit risk is associated with Trade receivables is primarily related to customers not able to settle their obligations as agreed upon. To manage this, the Group yearly reviews the financial reliability of its customers, taken into account their financial conditions, current economic trends, analysis of historical bad debts and ageing of trade receivables. Financial instruments that are subject to such risks, principally consist of trade receivables, contract assets such as unbilled revenue, loans to subsidiaries, security deposits and cash and bank balances. None of the financial instruments of the Group results in material concentration of credit risk.

• Trade receivables/contract assets

Customer credit risk is managed by the Group subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, "Financial Instruments" which permits the use of the lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group.

To measure the expected credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The historical rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

Reconciliation of loss allowance and credit impairment provisions

Particulars	Amount
Loss allowance on March 31, 2024	232.10
Add/(less): Changes in Loss Allowance	
Bad debts written off during the Year	(4.00)
: Provision for the Year	99.27
: Recovery of Bad Debts	-
Loss allowance on March 31, 2025	327.37
Add/(less): Changes in Loss Allowance	
Bad debts written off during the period	
: Provision for the period	24.37
: Reversal of excess provision	(5.89)
Loss allowance on March 31, 2026	345.85

Ageing Bucket	% of ECL
<= 60 days	0.00%
61 to 90 days	25.00%
91 to 180 days	30.00%
181 to 365 days	50.00%
Above 365 days	100.00%

(b) Liquidity Risk

The Group is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The Group monitors and manages the liquidity risk to ensure access to sufficient fund to meet operational and financial requirements. The Group has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the Group's liquidity risk, the Group's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on their undiscounted contractual maturities.

March 31, 2026	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	284.17		284.17
Lease liabilities	-	231.49	187.88	375.81
Current financial liabilities				
Current borrowings	145.00	-	-	145.00
Lease liabilities	159.72	-	-	159.72
Trade payables	388.93	-	-	388.93
Other financial liabilities	126.64	-	-	126.64
Total	820.29	515.66	187.88	1,480.27



March 31, 2025	Current	1 year to 3 years	More than 3 years	Total
Non-current financial liabilities				
Non-current borrowings	-	341.80	64.17	405.97
Lease liabilities	-	272.03	227.86	499.89
Current financial liabilities				
Current borrowings	221.16	-	-	221.16
Lease liabilities	140.40	-	-	140.40
Trade payables	290.26	-	-	290.26
Other financial liabilities	395.12	-	-	395.12
Total	1,046.94	613.83	292.03	1,952.80

(c) Market risk

Market risk is the risk of any loss in the future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change due to change in interest rates, foreign currency exchange rates, liquidity, and other market changes. Future specific market movements cannot be market predicted with reasonable accuracy.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities on account of export of services and foreign expenditure. The Group at present does not enter into any foreign currency futures or hedging to minimize the risk, as such transactions are naturally hedged.

The foreign exchange rate fluctuations do not have any material impact on the profitability of the Group as such exports and foreign currency expenditure is negligible in totality.

The Group deals with receivables from customers and payables to vendors. It is therefore exposed to foreign exchange risk associated with exchange rate movements. The foreign exchange rate fluctuations do not have any material impact on the profitability of the Group as such exports and foreign currency expenditure is negligible in totality. There are no forward exchange contracts which have been entered into by the Group as on the reporting dates.

Details of foreign currency exposures that are not hedged by a derivatives instrument or otherwise:

Particulars	March 31, 2026	March 31, 2025
Receivables (asset)		
USD	0.03	0.02
GBP	0.07	0.07
EUR	-	-
Payables (liability)		
USD	124.30	0.02
EURO	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or the 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.

Interest rate exposure : The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on variable rate borrowings	50.98	159.25

Sensitivity analysis

Profit or loss to higher/lower interest rate expense from borrowings as a result of changes in interest rates

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
If interest rates -		
Increase by 1%	0.51	1.59
Decrease by 1%	(0.51)	(1.59)



36 Share based payments

1 ESOP Scheme 2021

(a) Description of share based payment arrangements

On August 9, 2021, the Board of Directors approved the ESDS Employees Stock Ownership Plan 2021. These options are granted to eligible employees of the Group determined by the nomination and remuneration committee and are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the plan. Upon vesting, the employees can acquire one common equity share of The Group for every option. Options will be available for vesting upon successful completion of service during the vesting period. The options were granted on August 30, 2021.

Additionally, 78,500 options were granted during the year having vesting period of one year from date of grant.

Vesting conditions

Options can be exercised within 4 years from the vesting date. The vesting pattern is set out below

Vesting	Vesting of grant
30 August 2022	50%
30 August 2023	20%
30 August 2024	20%
30 August 2025	10%

(b) Measurement of fair values

Vesting	Exercise price	Expected volatility	Risk free rate	Expected life	Weighted average fair value as on grant date	Method of valuation
30 August 2022	65	20.33%	5.65%	3 to 6 years	10.60	Black – Scholes Model
30 August 2023	65	20.33%	5.65%	3 to 6 years	13.38	Black – Scholes Model
30 August 2024	65	20.33%	5.65%	3 to 6 years	15.96	Black – Scholes Model
30 August 2025	65	20.33%	5.65%	3 to 6 years	18.35	Black – Scholes Model

(c) Effect of employee stock ownership plan on the Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee stock ownership plan expense	0.55	1.48

During the year ended March 31, 2026, 21,000 ESOP options were cancelled, and there were no modifications to the options.

The carrying amount of the liability in respect of the Employee Stock Ownership Plan as at March 31, 2026 was Rs. 2.18 million (March 31, 2025: Rs. 17.55 million). During the year ended March 31, 2026, Rs. 11.20 million was transferred to free reserves upon the exercise of options.

(d) Reconciliation of outstanding share options

The number share options under the share option scheme are as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Options outstanding at the beginning	9,97,140	12,77,000
Add: Options granted	78,500	-
Less: Options forfeited and expired	21,000	1,34,000
Less: Options exercised	8,50,340	145,860
Options outstanding at the end	2,04,300	9,97,140



36 Share based payments

2 ESOP Scheme 2024

(a) Description of share based payment arrangements

On December 6, 2024, the Board of Directors approved the ESDS Employees Stock Ownership Plan 2024. These options are granted to eligible employees of the Company determined by the nomination and remuneration committee and are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the plan. Upon vesting, the employees can acquire one common equity share of the Company for every option. Options granted under the Plan shall vest within a specified time period or on achievement of certain performance milestones or both subject to a minimum Vesting Period of one year. The options were granted on February 28, 2025. Additionally, 40,000 options were granted during the year having vesting period of one year from date of grant.

Vesting conditions

Options can be exercised within 3 years from the vesting date. The vesting pattern is set out below

Vesting	Vesting of grant
March 1, 2026	10%
March 1, 2027	30%
March 1, 2028	40%
March 1, 2029	20%

(b) Measurement of fair values

Vesting	Exercise price	Expected volatility	Risk free rate	Expected life (in years)	Weighted average fair value as at grant date	Method of valuation
March 1, 2026	225	18.45%	6.56%	2.5	44.83	Black - Scholes Model
March 1, 2027	225	20.03%	6.59%	3.5	58.56	Black - Scholes Model
March 1, 2028	225	20.09%	6.64%	4.5	69.71	Black - Scholes Model
March 1, 2029	225	22.93%	6.69%	5.5	83.73	Black - Scholes Model

(c) Effect of employee stock ownership plan on the Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee stock ownership plan expense	46.92	0.77

During the year ended March 31, 2026, 2,35,000 ESOP options were cancelled, with no modifications made to the remaining options.

The carrying amount of the liability relating to the Employee Stock Ownership Plan as at March 31, 2026 was Rs. 52.41 million (March 31, 2025: Rs. 0.77 million)

(d) Reconciliation of outstanding share options

The number share options under the share option scheme are as follows

Particulars	As at March 31, 2025	As at March 31, 2025
Options outstanding at the beginning	20,50,000	-
Add: Options granted	40,000	20,60,000
Less: Options forfeited and expired	2,35,000	10,000
Less: Options exercised	-	-
Options outstanding at the end	18,55,000	20,50,000



37 Capital Management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Group manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

The Group monitors capital gearing ratio, which is net debt divided by total capital. Net debt comprises of long term and short term borrowings less cash and bank balances, equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting Year was as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt*	429.17	627.13
Cash and cash equivalents	(12,533.85)	(606.79)
Net debt	(12,104.68)	20.34
Shareholders' funds		
Equity share capital	100.43	100.43
Reserves and surplus	5,336.16	4,075.38
Non-controlling interest	5.40	-
Total equity	5,441.99	4,175.81
Net debt to equity ratio	(2.22)	0.00
Total Debt to equity ratio	0.08	0.15

* includes current maturity of long term borrowing

38 Segment Information

The business segment have been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal performance reporting systems.

The Group has identified business segment as its primary segment. In accordance with Indian Accounting Standard 108 - Segment Reporting, the Group has determined its business segment as "design, development, installation and servicing of information technology related resource". Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors based in India regarded as the Chief Operating Decision Maker ("CODM"). Since the entire Group's business is from information technology related resource there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2026 and for the year ended March 31, 2025.

The secondary segment by geographical segments is provided below based on location of customers:

The Group has identified India and Rest of the world as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized. Assets other than receivables used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments.

Geographical Segment	Sales and Services		Total Non-current assets	
	For the year ended March 31, 2026	For the year ended March 31, 2025	As on March 31, 2026	As on March 31, 2025
India	3,517.69	2,743.37	3,996.92	3,331.30
Outside India	1,204.41	869.98	217.09	453.16
Total	4,722.10	3,613.35	4,214.01	3,784.46

Information about major customers:

During the year ended March 31, 2026, there is one single customer which contributes more than 10% to the total revenue from operations amounting to Rs. 752.40 million (March 31, 2025: Rs.728.78 million)



39 Interests in other entities
39.a Subsidiaries

The group's subsidiaries as at March 31, 2026 and March 31, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non controlling interest	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
ESDS Internet Services Private Limited**	India	-	-	-	-
ESDS Cloud FZ LLC*	UAE	100%	100%	-	-
Spochub Solutions Private Limited^	India	99%	100%	1%	-
ESDS Global Software Solution Inc*	USA	100%	100%	-	-

** On August 29, 2024, the company fully sold its investment in ESDS Internet Services Private Limited at the face value of the shares. As a result, ESDS Internet Services Private Limited ceased to be a subsidiary of the company on that date. As of March 31, 2024, the subsidiary's total assets amounted to Rs. 388.38 million, and its total revenue was Rs. 68.83 million. The company's director subsequently resigned from their position as a director of the subsidiary as on August 29, 2024.

*Subsidiary Company having 31st December as reporting date.

^ On May 26, 2025, the Company sold 200 equity shares of Rs. 10 each of Spochub Solutions Private Limited to Piyush Somani. Hence, Spochub Solutions Private Limited ceased to be a wholly owned subsidiary of the company and holding in the subsidiary is reduced to 99.00%.

39.b Non controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Spochub Solutions Private Limited		ESDS Internet Services Private Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Current assets	12,542.53	-	-	-
Current liabilities	11,976.52	-	-	-
Net current assets	566.01	-	-	-
Non-current assets	0.10	-	-	-
Non-current liabilities	24.05	-	-	-
Net non-current assets	-23.95	-	-	-
Net assets	542.06	-	-	-
Accumulated NCI	5.40	-	-	-

Summarised statement of profit and loss	Spochub Solutions Private Limited		ESDS Internet Services Private Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Revenue	849.49	-	-	0.03
Profit for the year	539.64	-	-	(0.17)
Total comprehensive income	539.64	-	-	(0.17)
Profit allocated to NCI	5.40	-	-	(0.09)

Note: Company have sold its investment in ESDS Internet Services Private Limited on August 29, 2024 thus only profit/loss by that day is considered.

Summarised cash flows	Spochub Solutions Private Limited		ESDS Internet Services Private Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Cash flows from operating activities	12,441.89	-	-	-
Cash flows from investing activities	(90.38)	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	12,351.51	-	-	-



Name of the entities in the Group	Particulars	Parent		Indian		Subsidiaries		Foreign		Consolidation adjustments		Total	
		As % of consolidated Amount	Amount	As % of consolidated Amount	Amount	As % of consolidated Amount	Amount	As % of consolidated Amount	Amount	As % of consolidated Amount	Amount	As % of consolidated Amount	Amount
ESDS Software Solution Limited	Net assets (total assets minus total liabilities)	95.55	5,200.00	-	9.96	542.06	(5.22)	(284.14)	(13.38)	(0.05)	(2.55)	100.00	5,441.99
	March 31, 2026	108.52	4,531.65	-	0.00	0.12	(8.24)	(344.27)	(11.69)	-	-	100.00	4,175.81
ESDS Software Solution Limited	Share in profit or (loss)	51.44	621.49	-	44.66	539.64	4.52	54.62	-	(0.62)	(7.52)	100.00	1,208.23
	March 31, 2026	109.25	607.57	(0.03)	(0.17)	(0.02)	(7.28)	(40.46)	(10.81)	-	-	100.00	556.11
ESDS Software Solution Limited	Share in other comprehensive income	40.28	7.48	-	12.39	2.30	47.33	8.79	-	-	-	100.00	18.57
	March 31, 2026	17.40	(2.18)	-	-	-	82.60	(10.33)	-	-	-	100.00	(12.51)
ESDS Software Solution Limited	Share in total comprehensive income	51.27	628.97	-	44.18	541.94	5.17	63.41	-	-	-	100.61	1,226.80
	March 31, 2026	111.37	605.40	(0.03)	(0.17)	(0.02)	(9.34)	(50.79)	(10.81)	-	-	100.00	543.60



41 Additional regulatory disclosures

- i) Title deeds of Immovable Property are held in the name of Group wherever applicable.
- ii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- iii) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- iv) The Group does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- v) The Group has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.
- vi) The Group has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial year/period.
- vii) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- viii) There were no whistle blower complaints received by the Group during the year.
- ix) There Group does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the current year and previous year.
- x) The Group does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- xi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 to or on behalf of the ultimate beneficiaries.
- xii) The Group has not received any funds from any persons or entities, including foreign entities (Funding Party) 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 Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xiii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- xiv) The Company has borrowings secured against current assets and statements of current assets filed by the Company with banks are not in agreement with the books of accounts subject to the following differences along with the reasons for these differences.

Amount in millions				
Quarter ended	As per the accounting records	As per stock statement	Difference	Remarks
June 30, 2025	648.76	674.41	(25.65)	This is due to quarterly adjustment entries posted.
September 30, 2025	528.92	526.99	1.93	This is due to quarterly adjustment entries posted.
December 31, 2025	589.39	582.39	7.00	This is due to quarterly adjustment entries posted.
March 31, 2026	711.26	806.95	(95.69)	This is due to quarterly adjustment entries posted.

Note: Receivables reported above relate to balances outstanding for less than 120 days.

42 The Code on Social Security, 2020:

During the year ended 31 March 2026, the Central Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', effective from 21 November 2025 primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity and compensated absences.

43 Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year presentation.

As per our report attached of even date
For M S K C & Associates LLP
Chartered Accountants
Firm Registration No: 001595S/S000168

Yogesh Yewale
Partner
Membership No.: 158877
Place : Pune
Date: May 27, 2026



For and on behalf of the Board of Directors
ESDS Software Solution Limited
CIN: U72200MH2005PLC155433

Piyush Somani
Chairman and Managing Director
DIN: 02357582
Place: Nashik
Date: May 27, 2026

Prasad Deokar
Company secretary and compliance officer
M No: A34350
Place: Nashik
Date: May 27, 2026

Komal Somani
Whole Time Director
DIN: 08477154
Place: Nashik
Date: May 27, 2026

Nadukuru Sita Ramaiah
Chief Financial Officer
Place: Nashik
Date: May 27, 2026

