

To,

The Member of

Prakhar Software Solutions Limited

(formerly known as Prakhar Software Solutions Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of Prakhar Software Solutions Limited ('the Company') and its Subsidiary together referred to as 'the Group') as listed in annexure-A, which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").
2. 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 separate financial information of the subsidiaries, the aforesaid Consolidated 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, and its Consolidated profit (including other comprehensive income), Consolidated statement of cash flows and the Consolidated statement changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated financial statements section of our report. We are independent of

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the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 13 of the other matters section below, is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditors on separate financial statement of the subsidiaries, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we are determined that there are no other key audit matters to be communicated in our report.

Responsibilities of Management and those charged with Governance for Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in



terms of the provisions of the Act the respective 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 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the Consolidated financial statements, the respective the Board of Directors of the companies included in the group 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.
7. Those respective Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

8. 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 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.



9. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, 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 financial statements 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;
- Conclude on the appropriateness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and



events in a manner that achieves fair presentation. and

- Obtain sufficient appropriate audit evidence regarding the financial statements 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 financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors remain responsible for the direction, Supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
- 10. 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.
- 11. 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.
- 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters.

- 13. We did not audit the financial statements of Two subsidiaries, whose financial statements reflects total assets of ₹ 418.79 Lakhs as at 31 March 2025, total revenues of ₹ 2675.30lakhs and net cash inflows amounting to ₹ 9.41 Lakhs for the year ended on that date, as considered in the consolidated financial statements.



These financial statements and financial information have been audited by RNKA & CO, Chartered Accountant.

Emphasis of Matter

14. We would like to draw attention to Note No. 41, where balances of previous year ended on 31st March 2024 has been regrouped/ reclassified/ rearranged for better presentation by the management in line with current year classification.

Report on Other Legal and Regulatory Requirements

- a. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors referred to in paragraph 13, on separate financial statements of the subsidiaries, we report that the Holding Company and subsidiary company have paid remuneration to its directors during the year in accordance with the provisions of and limit prescribed under Schedule V of the Act. Further, we report that the provisions of section 197 read with schedule V to the Act are not applicable to the subsidiary company, since none of such companies is a public company as defined under section 2(71) of the act.
- b. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of Holding Company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
- c. As required by section 143(3) of the Act, based on our audit and on consideration of the reports of other auditors on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act, 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 purpose of our audit of the accompanying Consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.



- c. The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e. On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 20225 from being appointed as a director in terms of section 164(2) of the Act
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
 - g. The management has represented that, to the best of its knowledge and belief, MSME creditors will be paid within regulatory time limits and that any necessary adjustments will be made accurately. In case of late payments, management must apply interest charges as required by regulations or agreements, ensuring fair compensation for delays. Management is also responsible for monitoring payment schedules and addressing any issues promptly.
- I. 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 (as amended), 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 other auditors on separate financial information of subsidiary whose financial statements have been audited under the Act.
- The Company, as detailed in note 31 to the Consolidated financial statements, has disclosed the impact of pending litigations on the consolidated financial position as at 31 March 2025;
 - The Holding Company, its subsidiary companies did not have any long-term



contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company, associates and covered under the Act, during the year ended 31 March 2025; and
- a. The respective managements of the Holding Company whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary company, to the best of their knowledge and belief, as disclosed in note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, 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 such subsidiary company, associates and joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary company, to the best of their knowledge and belief, as disclosed in the note 42 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, associates and joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, associates and joint venture company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate



- Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and;
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary company, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement
- d. No dividend has been declared or paid during the year by the company including its subsidiary company as mentioned in the auditor's report.
- e. Based on our examination which included test checks, the holding Company and reports provided by auditor of other company, in respect of financial year commencing on 01st April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been 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 in respect of this accounting software. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For GNP MARKS & CO.
Chartered Accountants

Firm Registration No. 029556N



[Signature]
CA Mukesh Kumar Singh
Partner

Membership No. 532077

UDIN: *2533077BMLBRB7569*

Place: New Delhi

Date: 18th August 2025

Annexure-1

Holding Company

1. Prakhar Software Solution Limited (Formally know as Prakhar Software Solution private Limited)

Subsidiary Company

1. Prakhar Aviation Private Limited
2. Drone Institute of Technology private Limited



Annexure II

Independent Auditor's Report on the internal financial controls with reference to the Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the Consolidated financial statements of Prakhar Software Solutions Limited (formerly known as Prakhar Software Solutions Private Limited ('the Company') and subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error
5. 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 financial statements of the Holding Company, its subsidiary company and joint venture company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statement

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary company and joint venture company, the Holding Company its subsidiary company, and joint venture company which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial



Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 420.62 Lakhs and net assets of ₹ 2675.30 lakhs as at 31 March 2025, total revenues of million and net cash outflows amounting to ₹ 9.42 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company which has been audited by other chartered accountant firm.

For G N P M A R K S & C O.
Chartered Accountants
Firm Registration No. 029556N



CA Mukesh Kumar Singh
Partner

Membership No. 532077

UDIN : 25532077BMLBRB7569

Place: New Delhi

Date: 18th August 2025

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Balance Sheet as at 31 March 2025**CIN: U72100DL2014PLC262988****(₹ in Lakhs)**

	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	299.14	299.25
Capital work-in-progress	4	817.37	270.99
Right-of-Use Assets	5	8.63	19.80
Financial Assets			
- Others financial assets	6	137.84	123.60
Deferred tax assets (net)	21	22.45	
Total non-current assets		1,285.43	713.64
Current assets			
Financial Assets			
- Trade and other receivables	9	5,871.02	2,806.32
- Cash and cash equivalents	11	95.57	137.10
- Loans	10	173.89	158.90
- Other Financial Assets	7	53.11	61.98
Inventories	12	-	26.86
Other current assets	7	543.74	895.55
Total Current assets		6,737.33	4,086.71
Total Assets		8,022.76	4,800.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,541.00	31.00
Other equity	14	3,171.22	1,472.80
Equity attributable to owners of the Company		4,712.22	1,503.80
Non-controlling interests		12.08	0.98
Total Equity		4,724.30	1,504.78
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	15	280.03	256.73
- Other financial liabilities	16		7.66
Provisions	20	55.24	3.80
Deferred tax liabilities (Net)	21		72.72
Total non-current liabilities		335.27	340.92
Current liabilities			
Financial Liabilities			
- Borrowings	15	529.69	729.91
- Lease liability	16	10.39	23.40

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahaschaan
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Niharika
Company Secretary



Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Balance Sheet as at 31 March 2025**CIN: U72100DL2014PLC262988****(₹ in Lakhs)**

- Trade payables			
a) Total outstanding dues of Micro enterprises and small enterprises	17	-	-
b) Total outstanding dues of Creditor other than Micro and small enterprises	17	1,205.67	1,331.51
Other Current Financial Liability	18	10.80	-
Current tax liabilities (Net)	8	330.71	22.74
Other current liabilities	19	862.08	835.17
Provisions	20	13.85	11.92
Total current liabilities		2,963.19	2,954.65
Total Equity and Liabilities		8,022.76	4,800.35

The accompanying notes 1 to 43 are an integral part of the Consolidated Financial statements.

This is the Consolidated Balance Sheet as per our report of even date attached

For GNPMARKS & Co.

Chartered Accountants

ICAI Firm Reg. No: 029556N

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

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

Sahasha Namdeo
Director

Pradeep Namdeo

Director

DIN : 05272209

Sahasha Namdeo

Director

DIN : 06746773

CA Mukesh Kumar Singh

Partner

Membership Number: 532077

UDIN: 25532077BMLBRB7569

Place: New Delhi

Date: 18-08-2025



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Ritesh Mittal
Chief Financial Officer
(CFO)

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Niharika Jajoo
(Company Secretary)
M.No. ACS 67906

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Profit and Loss for the year ended 31 March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
INCOME			
I Revenue from operations	22	14,430.38	9,452.36
II Other income	23	187.00	3.31
III Total Income		14,617.38	9,455.67
IV EXPENSES			
Direct expenses	24	10,093.18	7,238.36
Employee benefits expense	25	656.99	485.80
Finance costs	26	139.88	53.55
Depreciation and amortisation expense	27	82.56	42.06
Other expenses	28	925.83	583.49
Total Expenses		11,898.44	8,403.25
V Profit before tax (IV-V)		2,718.94	1,052.43
VI Less: Tax expense			
Current tax		792.85	275.84
Deferred tax charge/(credit)	21	-91.85	77.79
Total Tax expense		701.00	353.63
VII Profit for the year (V-VI)		2,017.94	698.79
VIII Other Comprehensive Income (including non-controlling interest)			
Items that will not be reclassified to profit or loss			
-Remeasurement of post employment benefit obligations		11.42	-
Income tax relating to items that will not be reclassified to profit or loss		(3.33)	-
		8.09	-
Total Comprehensive Income for the year (VII+VIII)			
IX (Comprising Profit and Other Comprehensive Income for the year)		2,009.84	698.79
X Net profit attributable to:			
Owners of the Company		2,006.94	698.71
Non-controlling interest		11.00	0.08
XI Other comprehensive income/(loss) attributable to comprehensive income/(loss) attributable to:			
Owners of the Company		8.09	-
Non-controlling interest		-	-

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Madhup
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nishant
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashee Mandre
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Bishu Lital
Chief Financial Officer

XII Total comprehensive income attributable to:

Owners of the Company		2,015.03	698.71
Non-controlling interest		11.00	0.08
X Earnings per equity share:	29		
Basic EPS		6.87	2.45
Diluted EPS		6.87	2.45

The accompanying notes 1 to 43 are an integral part of the Consolidated Financial statements.

This is the consolidated Profit and Loss as per our report of even date attached

For GNP MARKS & Co.
Chartered Accountants
ICAI Firm Reg. No: 029556N

For PRAKHAR SOFTWARE SOLUTIONS LTD.

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

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Prakhar Software Solutions Limited

Sahasha Namdeo

Director

Pradeep

Director

Pradeep Namdeo
Director

Sahasha Namdeo
Director

DIN : 05272209

DIN : 06746773

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

CA Mukesh Kumar Singh
Partner

Membership Number: 532077

UDIN: 25532077BMLBRB7569



Chief Financial Officer
(CFO)

Niharika Jajoo
(Company Secretary)
M.No. ACS 67906

Place: New Delhi

Date: 18-08-2025

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Statement of changes in equity for the year ended 31 March, 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

Share capital

	Note No	No. Equity shares	Total Share Capital
Closing balance as at 31 March 2023	11	3.10	31.00
Changes in equity share capital during the year		-	-
Closing balance as at 31 March 2024		3.10	31.00
Changes in equity share capital during the year		305.10	1,510.00
Closing balance as at 31 March 2025		308.20	1,541.00

Other equity

	Note No	Retained earnings	Security Premium	Attributable to owners of parent	Non-Controlling Interest (NCI)	Total Other Equity
Opening balance as at 1 April 2023	14	773.99		773.99		773.99
Profit for the year		698.79		698.81	-0.02	698.79
Other Comprehensive Income/Other adjustments		-		-	-	-
Total Comprehensive Income for the year		698.79		698.81	-0.02	698.79
Change in NCI due to acquisition/disposal					1.00	1.00
Closing balance as at 31 March 2024		1,472.78	-	1,472.80	0.98	1,473.78
Profit for the year		2,017.94		2,006.94	11.00	2,017.94
Less: Amount utilised for Bonus issue		(1,395.00)		(1,395.00)		(1,395)
Less: Adjustment related to earlier Year		(0.42)		(0.42)		(0.42)
Add: Issuance of New Share at Premium			1,095.00	1,095.00		1,095
Other Comprehensive Income/Other adjustments		(8.09)		(8.09)	-	(8.09)
Total Comprehensive Income for the year		614.42	1,095.00	1,698.42	11.00	1,709.42
Change in NCI due to acquisition/disposal					0.10	0.10
Closing balance as at 31 March 2025		2,087.20	1,095.00	3,171.22	12.08	3,183.30

The accompanying notes 1 to 43 are an integral part of the Consolidated Financial statements.

This is the Consolidated statement of changes in equity referred to in our report of even date

For GNP MARKS & Co.
Chartered Accountants
ICAI Firm Reg. No: 029556N

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Sahasha Namdeo
For and on behalf of the Board of Directors of
Prakhar Software Solutions Limited
Director

CA Mukesh Kumar Singh
Partner
Membership Number: 532077
UDIN: 25332077-BMLBRB7569
Place: New Delhi
Date: 18-08-2025



Pradeep
Director

Pradeep Namdeo
Director
DIN : 05272209

Sahasha Namdeo
Director
DIN : 06746773

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Ritesh Mittal
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Niharika Jajoo
Niharika Jajoo
(Company Secretary)
M.No. ACS 67900
Company Secretary

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Cash flow statement for the year ended 31 March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

	Year ended 31 March 2025	Year ended 31 March 2024
I. Cash Flow from Operating Activities		
Profit before Tax	2,718.94	1,052.42
Adjustments for:		
Depreciation and amortization expense	82.56	42.06
Interest expenses	139.88	53.55
Interest income on other financial assets	(53.45)	(2.44)
Provisions	52.16	15.72
Other Non cash expenses	1.43	
	222.58	108.89
Operating Profit before Working Capital Changes	2,941.52	1,161.31
Adjustment for working capital changes:		
Increase/(Decrease) in trade and other payables	(115.04)	1,188.65
Increase/(Decrease) in other current liabilities	26.91	61.50
Increase/(Decrease) in provisions		
Increase/(Decrease) in Other Financial Liabilities	(7.66)	
Decrease/(Increase) in other assets	333.63	(793.51)
Decrease/(Increase) in trade receivables	(3,064.70)	(1,661.94)
Decrease/(Increase) in inventories	26.86	(26.86)
Decrease/(Increase) in other current financial assets	-5.37	83.05
	(2,805.37)	(1,149.11)
Cash generated from/(used in) operations	136.15	12.20
Less: Income taxes paid (net)	(478.48)	(189.92)
Net cash generated from/(used in) operating activities (A)	(342.32)	(177.72)
II. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, intangible assets,	(615.85)	(363.07)
Change in Capital Advances		
Investment in subsidiaries		
Interest Income on other financial assets	53.45	2.44
Loan Given	(14.99)	(145.84)
Net cash generated from/(used in) investing activities (B)	(577.39)	(506.47)
III. Cash Flow used in Financing Activities		
Issue of equity shares	710.00	
Long term borrowings raised during current year	23.29	33.34
Net Proceeds from or Net payment to short term borrowings*	299.78	595.55
Repayment of Borrowing from Banks		
Interest and other finance costs	(139.88)	(2.76)
Repayment of lease liability	(14.92)	(14.15)
Non-controlling Interest	(0.10)	
Net cash generated from/(used in) financing activities (C)	878.17	611.98
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(41.53)	-72.21
Add: Cash and cash equivalent at the beginning of the year	137.10	209.31
Cash & cash equivalents at the end of the year	95.57	137.10

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Indrajit
Director



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Hilish Jittor
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Nandao
Director

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Consolidated Cash flow statement for the year ended 31 March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

	Year ended 31 March 2025	Year ended 31 March 2024
Components of Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	72.51	123.95
Cash on hand	16.53	13.15
- Deposits with original maturity of less than 3 months	6.53	
Cash & cash equivalents at the end of the year	95.57	137.10

*During the year ended 31 March 2025, borrowings amounting to ₹5,00 lakhs were converted into 10 lakhs equity shares of ₹5 each at a premium of ₹45 per share. As this transaction did not involve movement of cash or cash equivalents, it has not been included in the Statement of Cash Flows. above

The above Consolidated cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

The accompanying notes 1 to 43 are an integral part of the Consolidated Financial statements.

This is the Consolidated cash flow statement As per our report of even date attached

For GNP MARKS & Co.
Chartered Accountants
ICAI Firm Reg. No: 029556N



CA Mukesh Kumar Singh
Partner
Membership Number: 532077
UDIN: 25532077BML8R87569

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

Pradeep Namdeo
Director
DIN : 05272209

Ritesh Mittal
Chief Financial Officer

Ritesh Mittal
(CFO)

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

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasha Namdeo
Director

Sahasha Namdeo
Director
DIN : 06746773

Niharika Jajoo
(Company Secretary)
M.No. ACS 67906

Place: New Delhi

Date: 18-08-2025

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

4 Property, plant and equipment

Particulars	Freehold land	Computers	Furniture & fixtures	Office equipments	Vehicles	Capital work-in-progress	Total
As at 1st April 2023	195.88	52.55	2.14	30.57	18.08	-	299.22
Additions	-	9.71	-	51.34	31.03	270.99	363.07
Disposals	-	-	-	-	-	-	-
As at 31 March, 2024	195.88	62.26	2.14	81.92	49.11	270.99	662.29
Additions	-	36.37	9.49	13.29	10.32	546.38	615.85
Disposals	-	-	-	0.10	-	-	0.10
As at 31 March, 2025	195.88	98.63	11.63	95.11	59.43	817.37	1,278.05
Depreciation and Impairment							
As at 1st April 2023	-	40	2	10	11	-	62
Depreciation charge for the year	-	5.42	0.05	12.95	11.13	-	29.56
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31 March, 2024	-	45.07	2.00	23.05	21.93	-	92.05
Depreciation charge for the year	-	24.43	1.20	34.23	9.63	-	69.49
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	0.01	-	-	0.01
As at 31 March, 2025	-	69.50	3.20	57.27	31.56	-	161.53

Net book value

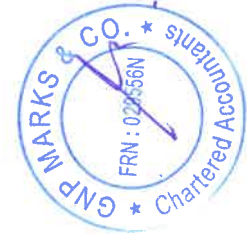
Particulars	Freehold land	Computers	Furniture & fixtures	Office equipments	Vehicles	Capital work-in-progress	Total
As at 31 March, 2024	195.88	17.19	0.14	58.87	27.18	270.99	570.24
As at 31 March, 2025	195.88	29.13	8.43	37.84	27.87	817.37	1,116.52

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Hande
Director



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Binita Jittha
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Nitika
Company Secretary

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

	As at 31 March 2025	As at 31 March 2024
5 Right-of-Use Assets		
Recognised on 1st April 2022	19.80	32.30
Add: Addition during the year	1.91	-
Gross Right-of-Use Assets	21.70	32.30
Less: Depreciation on Right of use assets	13.07	12.50
Total	8.63	19.80

	As at 31 March 2025	As at 31 March 2024
6 Others financial assets		
Security Deposit-Current	53.11	61.98
Security Deposit-Non-Current	137.84	123.60
Total	190.95	185.58

Security deposit include the fixed deposit given as security for issuance of bank guarantee

	As at 31 March 2025	As at 31 March 2024
7 Other Current assets		
Advance to Staff	7.76	22.03
Advance to Supplier	39.31	794.14
Other Receivable	406.15	79.38
Prepaid Expenses	2.07	
Deferred IPO expenses	88.45	
Total	543.74	895.55

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For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Radheef
Director

Arvind
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Satish Kumar
Director

Rishabh
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs) 0

8 Current Tax Assets (Net)

	As at 31 March 2025	As at 31 March 2024
Opening balance of advance tax	(22.74)	111.19
Less: Taxes payable for earlier years	(6.71)	
Other adjustment for taxes payable		
Opening balance (Net)	(16.03)	111.19
Add: Taxes paid during the year	68.73	278.76
Add: TDS Receivable	412.70	
Less: Other adjustment	3.25	
Less: Current tax payable for the year	792.86	412.69
Finished goods (at lower of cost and net realisable value)		
Total	(330.71)	(22.74)

9 Trade and other receivables (Current)

	As at 31 March 2025	As at 31 March 2024
Trade receivables		
Trade receivables	5,871.02	2,806.32
Total	5,871.02	2,806.32

**Trade Receivables ageing schedule
31st March 2025**

Particulars	Outstanding from date of transactions					Total
	Less Than 6 Months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable - Considered Good	4,308.25	1,285.53	150.66	126.59		5,871.02
Undisputed Trade receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable-Credit impaired	-	-	-	-	-	-
Disputed Trade receivables-Considered good	-	-	-	-	-	-
Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-
	4,308.25	1,285.53	150.66	126.59	-	5,871.02

31st March 2024

Particulars	Outstanding from date of transactions					Total
	Less Than 6 Months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable - Considered Good	2,630.56	64.51	111.24	-		2,806.32
Undisputed Trade receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable-Credit impaired	-	-	-	-	-	-
Disputed Trade receivables-Considered good	-	-	-	-	-	-
Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-
	2,630.56	64.51	111.24	-	-	2,806.32

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Indeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Manohar
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

10 Loans

Loan to Related parties

As at 31 March 2025	As at 31 March 2024
173.89	158.90
173.89	158.90

11 Cash and cash equivalents

Balances with banks:

On current accounts

- Deposits with original maturity of less than 3 months

Cash on hand

As at 31 March 2025	As at 31 March 2024
72.51	121.27
6.53	2.68
-	-
16.53	13.15
95.57	137.10

Total**12 Inventories**

Inventories at year end

Total

As at 31 March 2025	As at 31 March 2024
-	26.86
-	26.86

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For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

13 Share capital

	As at 31 March 2025	(₹ in Lakhs) As at 31 March 2024
Authorised share capital		
50000000 equity Share of ₹5 each (31st March 2024 3,10,000 equity Share of ₹10 Each)	2,500.00	31.00
	2,500.00	31.00

	As at 31 March 2025	As at 31 March 2024
Issued, subscribed & paid up capital		
3,08,20,000 equity Share of ₹5 (31st March 3,10,000 equity Share of ₹10 each)	1,541.00	31.00
As at 31 March 2025	1,541.00	31.00

a) Reconciliation of Authorised Capital

Particulars	No. of Shares	(₹ in Lakhs)
Balance as at 1st April 2023	310,000.00	31.00
Increase/Decrease during the Year	-	-
Balance as at 31st March 2024	310,000.00	31.00
Balance as at 1st April 2024	310,000.00	31.00

Add: Increase in authorised capital from 3,10,000 equity shares of ₹ 10 each of ₹ 31 lakhs to 2,10,00,000 shares of ₹10 each of ₹2100 lakhs

20,690,000.00 2,069.00

ADD: Sub-division/Split of one share of face value of ₹10 into such number share of face value of ₹5 each effective 13th August 2024 (Increase in shares on account of sub-division/split) (Refer note (h) below)

21,000,000.00

Add: Increase in authorised capital from 4,20,00,000 equity share of ₹5 each of ₹2100 lakhs to 5,00,00,000 equity share of ₹5 each

8,000,000.00 400.00

Balance as at 31st March 2025**50,000,000.00 2,500.00****b) Reconciliation of Issued, Subscribed, Paid up capital**

Particulars	No. of Shares	(₹ in Lakhs)
Balance as at 1st April 2023	310,000.00	31.00
Increase/Decrease during the Year	-	-
Balance as at 31st March 2024	310,000.00	31.00
Balance as at 1st April 2024	310,000.00	31.00

Add: Bonus issue of 1,39,50,000 equity share of 10 each as fully paid up bonus share in the ratio of 45 (Forty five share) equity share for every 1 (one) (Refer Note 11(d)) below)

13,950,000.00 1,395.00

Add: Sub-division/Split of one share of face value of ₹10 into such number share of face value of ₹5 each effective 13th August 2024 (Increase in shares on account of sub-division/split) (Refer Note 11(h)) below)

14,260,000.00

Add: 10,00,000 Equity share issued of ₹5 each against conversion loan of Pradeep Namdeo (Refer Note 11(d)) below)

1,000,000.00 50.00

Add: 10,00,000 Equity share issued of ₹5 each as right issue (Refer Note 11(f)) below)

1,000,000.00 50.00

Add: Preferential allotment of 3,00,000 Equity Share of ₹5 each (Refer Note 11(e)) below)

300,000.00 15.00

30,820,000.00 1,541.00**For PRAKHAR SOFTWARE SOLUTIONS LTD.**

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary



Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

C) Terms/ Right attached to shares**Voting rights**

The Company has only one class of equity shares having a par value of ₹ 5 each. Each holder of equity share is entitled to one

Rights as to Dividend

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company declares and pays dividend in Indian Rupees

Rights Pertaining to Repayment of Capital

In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) List of shareholders holding more than 5% of the aggregate equity share capital of the Company at the beginning and at the end of the year:

Shareholders as at 31st March 2024	No. of Shares (face value of ₹10 each)	% of Shareholding
SAHASHA NAMDEO	310,000.00	99.99%
Shareholders as at 31st March 2025	No. of Shares (face value of ₹5 each)	% of Shareholding
SAHASHA NAMDEO	14,260,000.00	46.27%
PRADEEP NAMDEO	13,800,000.00	44.80%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

(i) During year ended 31st March 2025, the company has issued 1,39,50,000 equity share of 10 each as fully paid up bonus share in the ratio of 45 (Forty five share) equity share for every 1 (one) outstanding as on record date

(ii) During the year ended on 31st March 2025, the company has received approval from its member for issue and allotment of 10,00,000 number equity share of ₹5 each at a premium of ₹45 per equity share worth amounting to ₹500 lakhs to Mr. Pradeep Namdeo against conversion of loan from Mr. Namdeo.

For the period of five years of the date of the immediately preceding the reporting date, there was no share allotment made for consideration other than cash except as disclosed above. Further, there has been no buy back of shares during the period of five years immediately preceding 31st March 2025 and 31st March 2024.

e) Preferential allotment

During the year ended 31st March 2025, the company has received approval from its member for issue and allotment of 1,00,000/- , 1,00,000/-, 70,000/-, 30,000/- number to Mr. Ashit Mahendra Mehta, Mr. Vineet Kumar, Mr. Manish agrawal, and Multitone Insvesttrade Private Limited respectively on preferential basis of ₹5 each, at a premium of ₹65 per equity share worth amounting to ₹210 lakh

f) Right issue

Pursuant to the approval of the Board of Directors at their meeting the Company offered 10,00,000 Fully paid equity shares to the existing eligible shareholders with the record date of 14th November 2024. On 22th November 2024, the company allot 10,00,000 equity shares of face value of ₹ 5 each at a premium of ₹ 45 per equity share worth amounting to ₹500 lakhs to NNM Nextgen Advisory private limited as right issue by renouncing of rights from existing share holder.



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasha Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nikhil
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

g) Details of share holder held by promoters

	No. of Shares (face value of ₹5 each)	% of Shareholding	% Change During the Year
Shareholders as at 31st March 2025			
SAHASHA NAMDEO	14,260,000.00	44.78%	(55.21%)
PRADEEP NAMDEO	13,800,000.00	44.80%	44.80%
Shareholders as at 31st March 2024			
SAHASHA NAMDEO	310,000.00	99.99%	-

h) Sub-division/ Split of equity Share

During the year ended 31 March 2025, the Board of Directors of the Company in their meeting held on 12th Aug. 2024 recommended the sub-division/split of existing Equity Shares of the Company from 1 (One) Equity Share having face value of ₹ 10/- (Rupees ten only) each fully paid-up, into such number Equity Shares having face value of ₹5/- (Rupees five only) each fully paid-up. The above sub-division/split has been approved by the equity shareholders of the Company dated 13 August 2024. Pursuant to sub-division/split of shares effective 12 August 2024 ("Record Date"), the paid up equity share capital of the Company is ₹1426 lakh consisting of equity shares having face value of ₹5/- (Rupees five only) each fully paid-up.

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For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

14 Other equity

Refer Consolidated Statement of Changes in Equity for detailed movement in Other Equity balance.

	As at 31 March 2025	As at 31 March 2024
Capital Reserve	-	-
Retained Earnings	2,076.22	1,472.80
Securities premium	1,095.00	
Total Other equity	3,171.22	1,472.80

Description of nature and purpose of each reserve:

Retained earnings - Created from the profit of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

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

15 Borrowing

	As at 31 March 2025	As at 31 March 2024
A. Non-Current Borrowing		
Term Loan Secured		
Secured Long Term Borrowing	144.87	124.44
Term Loan Unsecured		
Unsecured Long Term Borrowings	135.16	132.29
	280.03	256.73

Loans and borrowing above are recognised at amortised cost/fair value taking into account any discount or premium on acquisition and fee or costs that are part of effective interest rate, accordingly the outstanding balances above may not necessarily reconcile with repayment amounts.

B. Current Borrowing

Secured

Loans Repayable on Demand

Working capital facilities from banks (secured) (Refer footnote (a))	299.81	467.39
Current Current maturities of long-term debts (Secured)	10.59	7.25

Unsecured

Current Current maturities of long-term debts (unsecured)	197.14	135.56
Unsecured loan	-	103.37
Loan from Related Party (Refer footnote b)	22.16	16.34
	529.69	729.91

Total	809.72	986.65
--------------	---------------	---------------

a. Working Capital Facilities from bank are secured by exclusive charge on entire current assets, Movable fixed assets and Immovable Fixed assets at Plot No. 022, Block SG, Sector-144, Near Oxygen Business Park, Gautam Budha Nagar, Noida, Uttar Pradesh, India-201304. These facilities carrying at the rate 9.25% (Floating)

b. Loan from related party represent the loan payable to Director Mr. Pradeep Namdeo and Mrs. Shasha Namdeo on Demand is interest free loan.



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Shashaa Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Shashaa
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pilkhaitan
Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

C. Terms and Conditions/details of Securities for Loans

Name of bank/instrument

Loan outstanding

As at 31st March 2025		As at 31st March 2024	
Current	Non-Current	Current	Non-Current

Term Loan

1 Loan From Bank/NBFC (Secured)

The Term Loan is Carrying Interest at 7.70 % and Secured Against land Oxygen bunnss Park Noida.

Sanction Amount: 236.67 Lakhs

Repayment Period -390 Months

Date of Sanctionn: 23-10-2020

1.76 128.41 0.76 104.85

2 Loan From Bank/NBFC (Secured)

The Term loan is carrying Interest Rate at 9.00% and secured against Vehicle.

Sanction Amount: 24.00 Lakhs

Repayment Period: 60 Months

Date of Sanction: 29-05-2023

4.75 12.17 4.86 16.84

3 Loan From Bank/NBFC (Secured)

The Term loan is carrying Interest Rate at 9.25% and secured against Vehicle.

Sanction Amount: 6.50 Lakhs

Repayment Period: 39 Months

Date of Sanction: 22-02-2023

2.18 0.57 1.64 2.74

4 Loan From Bank/NBFC (Secured)

The Term loan is carrying Interest Rate at 9.25% and secured against Vehicle.

Sanction Amount: 6.00 Lakhs

Repayment Period: 36 Months

Date of Sanction: 03-12-2024

1.89 3.72

Total Secured Loan

10.59 144.87 7.25 124.44

5 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 46.42 Lakhs

Rate of Interest : 18%

Repayment Period: 24 Months

Date of Sanction: 20th Sep 2023

15.51 - 22.78 15.29

6 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 50.39 Lakhs

Rate of Interest : 16.50%

Repayment Period: 36 Months

Date of Sanction: 10th Oct 2023

17.98 13.43 11.33 31.01

7 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 75Lakhs

Rate of Interest : 16.00%

Repayment Period: 36 Months

Date of Sanction: 20th Sept 2024

23.72 41.32



For PRAKHAR SOFTWARE SOLUTIONS LTD.

hachef
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashaa Khandekar
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Neelam
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

bilal Gitter
Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

8 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 50.46Lakhs

Rate of Interest : 16.50%

Repayment Period: 25 Months

Date of Sanction: 13th Sept 2023

16.66

23.46

16.46

9 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 50.00Lakhs

Rate of Interest : 15.50%

Repayment Period: 36 Months

Date of Sanction: 23th Sept 2023

17.97

11.61

14.42

29.25

10 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 75 Lakhs

Rate of Interest : 15%

Repayment Period: 25 Months

Date of Sanction: 18th Sept 2023

24.47

39.6

21.36

11 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 51 Lakhs

Rate of Interest : 16.85%

Repayment Period: 24 Months

Date of Sanction: 4th Dec 2023

19.16

23.96

18.93

12 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 74.85Lakhs

Rate of Interest : 15.51%

Repayment Period: 24 Months

Date of Sanction: 21st Oct 2024

61.83

13 Loan From Bank/NBFC(Unsecured)

Sanction Amount: 76.50Lakhs

Rate of Interest : 15.50%

Repayment Period: 36Months

Date of Sanction: 26th Sep 2024

23.97

44.67

Total Unsecured

221.26

111.04

135.56

132.29

Total Term Loan

231.85

255.90

142.81

256.73

16 Other Non- Current financial liabilities

As at
31 March 2025

As at
31 March 2024

Security deposits

7.66

Total

-

7.66

B. Other Current financial liabilities

As at
31 March 2025

As at
31 March 2024

Lease liability

10.39

23.40

(Refer Note 34)

10.39

23.40

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Prakhar
Director

Prakhar
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashaa Namdeo

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh Gitter
Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

17 Trade payables	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Creditor for Goods		
Creditor for Services		
Total outstanding dues of creditors other than micro enterprises and small enterprises.		
Creditor for goods	11.40	
Creditor for services	1,194.27	1,331.51
	1,205.67	1,331.51
Total	1,205.67	1,331.51

AS at 31st March 2025

Trade Payable Aging Schedule

Particulars	Outstanding from date of Transactions					Total
	Unbilled	Less Than 1 year	1-2 Years	2-3 Years	More Than 3 years	
Undisputed Trade Payable						
Micro enterprises and Small Enterprises						-
Other		1,205.39	0.27			1,205.67
Disputed Trade Payable						-
Micro enterprises and Small Enterprises						-
Other						-
		1,205.39	0.27			1,205.67

As at 31st March 2024

Trade Payable Aging Schedule

Particulars	Outstanding from date of Transactions					Total
	Unbilled	Less Than 1 year	1-2 Years	2-3 Years	More Than 3 years	
Undisputed Trade Payable						
Micro enterprises and Small Enterprises						-
Other		1,076.64	208.06	46.81		1,331.51
Disputed Trade Payable						
Micro enterprises and Small Enterprises						
Other						
		1,076.64	208.06	46.81	-	1,331.51

18 Other Current Financial Liability

Particulars	As at 31 March 2025	As at 31 March 2024
IPO expenses payable	10.80	
	10.80	



hadeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salhasha Naik
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD. Company Secretary

hilm Jaitar
Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

19 Other Current Liabilities	As at 31 March 2025	As at 31 March 2024
Duties & Taxes	666.58	499.10
Expenses payable	157.30	229.26
Advances and deposits	-	66.90
Other Payable	-	-
Salary payable	32.04	39.91
Director Remuneration Payable	6.15	-
Total	862.08	835.17

20 Provisions	As at 31 March 2025	As at 31 March 2024
Non-Current		
Provision for Long Term Employee Benefits	13.85	3.80
	13.85	3.80
Current		
Provision for CSR	27.55	11.91
Provision for Employee Benefits	3.08	0.01
Provision for Expenses	24.61	-
Provision For Income Tax	55.24	11.92
Total	69.09	15.72

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For PRAKHAR SOFTWARE SOLUTIONS LTD.



[Signature]
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

[Signature]
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

[Signature]
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

[Signature]
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

21 Deferred tax liabilities (net)**Income tax**

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

Statement of profit and loss:

	As at 31 March 2025	As at 31 March 2024
Profit or loss section		
Current income tax:		
Current income tax charge	792.85	275.84
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(91.85)	77.79
Income tax expense reported in the statement of profit or loss	701.00	353.63
Other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(3.33)	-
Income tax charged to other comprehensive income	697.68	353.63

Deferred Tax Liabilities/(assets)	As at 01st April 2024	Recognised in other comprehensive income	Recognised in Statement of Profit and loss	As at 31st March 2025
Accelerated Depreciation For Tax purpose	(71.59)		88.60	17.01
Provision for CSR	(3.00)		3.00	-
Provision For Retirement benefits	0.96	3.33	0.64	4.93
Fair value measurement of finance lease-ROU	(4.98)		2.47	(2.51)
Fair value measurement of finance lease-Lease liability	5.89		(2.86)	3.03
	(72.72)	3.33	91.85	22.45

Deferred Tax Liabilities/(assets)	As at 01st April 2023	Recognised in other comprehensive income	Recognised in Statement of Profit and loss	As at 31st March 2024
Accelerated Depreciation For Tax purpose	5.07		(76.66)	(71.59)
Provision for CSR			(3.00)	(3.00)
Provision For Retirement benefits			0.96	0.96
Fair value measurement of finance lease-ROU			(4.98)	(4.98)
Fair value measurement of finance lease-Lease liability			5.89	5.89
	5.07		(77.79)	(72.72)



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Radheep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

perkh
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salashaa Maudgalya
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Prithvi Gistral
Chief Financial Officer

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Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

22 Revenue from operations

	As at 31 March 2025	As at 31 March 2024
Sale of goods	306.09	291.47
Sale of Services	14,124.30	9,160.89
Total	14,430.38	9,452.36

23 Other income

	As at 31 March 2025	As at 31 March 2024
Interest Income	53.45	2.44
Other income	133.55	0.87
Total	187.00	3.31

24 Direct expenses

	As at 31 March 2025	As at 31 March 2024
Opening Stock	26.86	-
Purchase of goods	246.50	334.96
Closing Stock	-	26.86
Cost of goods sold	273.36	308.10
Cost of services	9,819.82	6,930.26
Installation & development charges	-	-
Total	10,093.18	7,238.36



For PRAKHAR SOFTWARE SOLUTIONS LTD. <VAT stamp cell has been intentionally left blank>>

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

25 Employee benefit expenses

	As at 31 March 2025	As at 31 March 2024
Salaries, wages and bonus	644.83	445.03
Gratuity expense	1.43	3.81
Staff welfare expenses	10.73	36.95
Total	656.99	485.80

26 Finance costs

	As at 31 March 2025	As at 31 March 2024
Interest on items at amortised cost:		
-Working Capital Facilities	38.86	50.79
-Term Loan	97.16	
Interest expenses on financial liabilities	1.55	2.76
Other Finance Cost	2.32	
Total	139.88	53.55

27 Depreciation and amortisation expense

	As at 31 March 2025	As at 31 March 2024
Depreciation on tangible assets	69.49	29.56
Depreciation on Right to use assets	13.07	12.50
Total	82.56	42.06

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pandeef
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nehar
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraanand

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Kishan Datta
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

(₹ in Lakhs)

28 Other expenses	As at 31 March 2025	As at 31 March 2024
Advertisement Expenses	3.39	
Balance Write off	335.19	
Payment to Auditors*	9.35	5.50
Bank Charges	13.17	8.85
Business promotion	19.97	0.98
Communication expenses	5.49	3.27
Insurance	13.18	7.45
Miscellaneous expenses	5.12	10.11
Office maintenance charges	47.46	22.88
Power and fuels	14.18	15.03
Printing and stationery	10.23	8.67
Professional and consultancy charges	149.14	80.00
Rates and taxes	60.30	69.78
Registration and renewals	6.06	6.58
CSR expenditures	28.17	11.91
Rental expenses	61.83	177.57
Repair and maintenance	28.51	59.33
Travelling and conveyance	68.45	95.59
ROC Fee	26.65	
Donation	5.00	
Sitting fees paid to directors	15.00	
Total	925.83	583.49

	As at 31 March 2025	As at 31 March 2024
Auditor remuneration*		
a Statutory audit fee	5.00	3.00
b Reimbursement of expenses	2.00	2.00
Total	7.00	5.00

29 Earnings per equity share

	As at 31 March 2025	As at 31 March 2024
Profit attributable to equity shareholders	2,017.94	698.79
Weighted average number of equity shares outstanding during the year for Basic EPS (No.)	29,378,082	28,520,000
Weighted average number of equity shares outstanding during the year for Diluted EPS	29,378,082	28,520,000
Basic EPS (INR)	6.87	2.45
Diluted EPS (INR)	6.87	2.45
Face value per equity share (INR)	5.00	5.00

* Previous Year numbers are adjusted for share splits and bonus issue (refer note 11)



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashaa Nandoo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

30 Employee Benefit Plan**A. Defined Contribution Plan**

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of the salary (subject to a limit of ₹15,000 salary per month) as per regulations. The contributions are made to a statutory provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Further, contributions are made in respect of Employees' State Insurance Scheme, for specified employees, at the rate of 3.25% of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Contributions to provident fund and employees' state insurance scheme are recognised as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Expenses Recognised During the Period

Particulars	2024-25	2023-24
Expenses Recognised During the Period	91.49	102.67

- B In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary, years of employment with the Company subject to completion of five years of service and other conditions.

The Company has a defined benefit gratuity plan in India (unfunded). The Company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

During the year, there were no plan amendments, curtailments and settlements. Further, Gratuity plan is unfunded.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

Particulars	2024-25	2023-24
Current Service Cost	1.42	0.75
Interest Cost	0.27	0.09
Total Amount Recognised in profit and loss	1.69	0.84
Remeasurement		
Actuarial (Gains)/Losses on Obligation For the Period	11.42	1.66
Return on Plan Assets, Excluding Interest Income		
Expenses Recognized in Other Comprehensive Income	11.42	1.66

Breakup of actuarial (gain)/loss	2024-25	2023-24
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	2.14	NA
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.29	0.02
Actuarial (gain)/loss arising from experience adjustment	8.99	1.64
	11.42	1.66



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashna Namdeo
Director

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Richa Gittal
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	31/Mar/2025	31/Mar/2024
Defined benefit obligation at the beginning of year	3.81	1.31
Current service cost	1.42	0.75
Interest cost	0.27	0.09
Remeasurements	11.42	1.66
Benefits paid	0	0
Liabilities assumed / (settled)	0	0
Defined benefit obligation at the end of year	16.92	3.81

Actuarial assumptions used	31/Mar/2025	31/Mar/2024
Discount rate	6.55% p.a	7.11% p.a
Long-term rate of compensation increase	10.00% p.a	10.00% p.a
Average remaining life (in years)	28.51	28.30
Attrition rate	30% p.a	40% p.a

Demographic assumptions used	31/Mar/2025	31/Mar/2024
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age (in years)	58 years	58 years
Average remaining life (in years)	28.51	28.30

Sensitivity analysis

Particulars	3/31/2025		3/31/2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.51)	0.55	(0.11)	0.12
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.53	(0.50)	0.11	(0.11)
Average life expectancy				
Increase/ (decrease) in the defined benefit liability	(0.26)	0.27	(0.11)	0.11

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Risk Exposure

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

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

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.

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



FOR PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashanand

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishu Jitpal
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

31 Contingent Liabilities

	As at 31 st March 2025	As at 31st March 2024
Claims against the company not acknowledged as debts (being contested)		
1. For income Tax [Pending at CIT (Appeal)]	727.26	-
2. Other money for which the Company is contingently liable	58.91	32.95
	<u>786.17</u>	<u>32.95</u>

The Group Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2025.

Disputed claims against the Company, including claims raised by the tax authorities and which are pending in appeal /court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognised in the accounts as an expense as and when such obligation crystallises.

32 Segment Information**Operating Segment**

Particulars	31st March 2025	31st March 2024
Revenue from operations	14,430.38	9,452.36
Earning before interest, tax, depreciation and amortisation (EBITDA)*	2,941.38	1,148.04

* Excluding other income and other gain/(loss)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of providing Skilled based manpower training and make available to its customer. Accordingly, the Company is a single CGU, hence single segment Company.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pradeep
Director

Neha
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasra Naundale
Director

Bilal Litta
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

33 Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006 to the extent information available with the Company is given below

Particulars	31st March 2025	31st March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year*	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The 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 micro and small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
The above amounts includes due to micro and small enterprises included within other financial liabilities.		



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Prakhar
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

34 Related Party disclosure

Following are the related parties and transactions entered with related parties for the relevant reporting period as at 31st March 2025

List of related parties and relationships:-

I. Key managerial personnel (KMPs)

Mrs. Sahasha Namdeo	Chairperson and Managing Director
Mr. Hira Nand Jha	Executive Director
Mr. Pradeep Namdeo	Non-Executive Director
Mr. Shrikant Shriram Modak	Non-Executive Independent Director (w.e.f 15 January, 2025)
Mr. Krishna Kumar Singh	Non-Executive Independent Director (w.e.f 15 January, 2025)
Mr. Manish Rawal	Non-Executive Independent Director (w.e.f 08 March, 2025)
Mrs. Niharika Jajoo	Company Secretary and Compliance Officer (w.e.f 31 December, 2024)
Mr. Ritesh Mittal	Chief Financial Officer (w.e.f 31 December, 2024)

II. Relatives of KMPs/Directors

Mr. Santosh Kumar Sinha
Mr. Pradeep Namdeo
Mr. Peeyush Sinha
Mr. Jaydeep Namdeo
Mr. Kiran Sinha
Mrs. Sahasha Namdeo
Mrs. Shikha Mittal
Mrs. Pooja Jha

III. Entities in which a director or his/her relative is a member/director/Trustee*

Prayank Technology & Healthcare Pvt. Ltd.
Prakhar Aviation Technology Pvt. Ltd.
Green Fortune Industries Pvt. Ltd.
NDGC EGOV Technoventures Pvt. Ltd.
Namdeo Foods And Beverages Pvt. Ltd.
UAV Edutech & Research Foundation
International Bamboo Association
Indian Institute of Drone Technology Pvt. Ltd.
PCG Global Consulting Pvt. Ltd.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Niharika
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasha Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Ritesh Mittal
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

Description	Key Mangement Personal/ Directors & Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Total	
	For year ended		For year ended		For year ended	
	2025	2024	2025	2024	2025	2024
(A) Transations						
Purchase of goods/ Services						
Prakhar Aviation Technology Pvt. Ltd. (Creditor)						
Prayank Technology & Healthcare Pvt. Ltd. (Creditor)	-	-	1,545.88	54.10	1,545.88	54.10
Loan given						
Green Fortune Industries Pvt. Ltd.	-	-	4.73	-	4.73	-
International Bamboo Association	-	-	0.20	-	0.20	-
Namdeo Foods And Beverages Pvt. Ltd.	-	-	97.83	0.20	-	0.20
NDGC EGOV Technoventures Pvt. Ltd.	-	-	0.50	-	0.50	-
UAV Edutech & Research Foundation	-	-		1.00	-	1.00
Prayank Technology & Healthcare Pvt. Ltd			46.72	54.03		
Equity investment						
Indian Institute of Drone Technology Pvt. Ltd.						
Conversion of loan into investment/Equity						
Mr. Pradeep Namdeo	500.00	-	-	-	500.00	-
Professional charges paid						
Mr. Pradeep Namdeo	27.38	20.32	-	-	27.38	20.32
Interest Income Received						
Green Fortune Industries Pvt. Ltd.			0.24			
International Bamboo Association			0.31			
Namdeo Foods And Beverages Pvt. Ltd.			14.70			
NDGC EGOV Technoventures Pvt. Ltd.			1.48			
UAV Edutech & Research Foundation			0.15			
Prayank Technology & Healthcare Pvt. Ltd			8.01			
Repayment						
Prayank Technology & Healthcare Private Limited			15.33			



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahabhaa Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Namdeo
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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(B) Balances outstanding at the end of the year, net						
Receivable/(payable),net						
Mr. Sahasha Namdeo (Imprest)	(1.77)	6.18	-	-	(1.77)	6.18
Mr. Sahasha Namdeo (Dir Remuneration)	(5.55)	(1.55)	-	-	(5.55)	(1.55)
Mr. Pradeep Namdeo (Loan and Imprest)	(20.15)	(8.39)	-	-	(20.15)	(8.39)
Mr. Pradeep Namdeo (Professional fee)	(27.38)	(20.32)	-	-	(27.38)	(20.32)
Mr. Hira Nand Jha (Dir Remuneration)	(0.60)	-	-	-	(0.60)	-
Mr. Rahul Verma (Loan)	-	(7.00)	-	-	-	(7.00)
Mr. Rahul Verma (Dir Remuneration)	-	(0.93)	-	-	-	(0.93)
Mr. Ritesh Mittal CFO	(0.61)	-	-	-	(0.61)	-
Mrs. Niharika Jajoo CS & CO	(0.67)	-	-	-	(0.67)	-
Green Fortune Industries Pvt. Ltd.	-	-	4.97	-	4.73	-
International Bamboo Association	-	-	1.51	1.00	1.20	1.00
Namdeo Foods And Beverages Pvt. Ltd.	-	-	112.73	0.20	0.20	0.20
NDGC EGOV Technoventures Pvt. Ltd.	-	-	6.82	4.84	5.34	4.84
UAV Edutech & Research Foundation	-	-	1.15	1.00	1.00	1.00
Pryank Technology & Healthcare Private Limited (Loan)			46.68	54.53		
Prayank Technology & Healthcare Pvt. Ltd.(Creditor)	-	-	(363.93)	15.54	(363.93)	15.54
Mr. Shrikant Shriram Modak (Sitting Fee)	(1.75)	-	-	-	(1.75)	-
Mr. Krishna Kumar Singh (Sitting Fee)	(1.50)	-	-	-	(1.50)	-
Mr. Manish Rawal (Sitting Fee)	(2.00)	-	-	-	(2.00)	-

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Niharika
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasha Namdeo

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Ritesh Mittal
Chief Financial Officer

Prakhar Software Solutions Limited

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Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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35 Disclosure on lease transactions pursuant to Ind AS 116 - Leases

The Company's lease asset class primarily consists of leases for land and buildings for offices. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets other than leasehold lands as security against the Company's other debts and liabilities.

i) Lease liabilities are presented in the balance sheet as follows

	As at 31st March 2025	As at 31st March 2024
Current maturities of lease liabilities (Refer Note 17)	1.44	23.40
	1.44	23.40

ii) The recognised right of use assets relate to Land and buildings as at 31st March 2024 and 31st March 2025

	As at 31st March 2025	As at 31st March 2024
Right of use assets - land, buildings		
Balance at the beginning of the year	19.80	32.30
Additions for the year	-6.81	
Rebate/grant related to asset received	-	
Amortisation charge for the year	12.50	12.50
Balance at the end of the year	0.48	19.80

iii) The following are amounts recognised in Consolidated Statement of Profit and Loss:

	As at 31st March 2025	As at 31st March 2024
Amortisation charge on right of use assets	12.50	12.50
Interest expense on lease liabilities	1.51	2.76
	14.01	15.27

iv) Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases, cancellable long-term leases and for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹61.63 lakhs (31st March 2024 ₹85.46 lakhs).

v) Refer Consolidated Cash Flow Statement for total cash outflow for leases.

v) Maturity of lease liabilities

Future minimum lease payments were as follows for 31st March 2025

	Interest Expense	Net Present Value
Not later than 1 year	0.50	1.02

Future minimum lease payments were as follows for 31st March 2024

	Interest Expense	Net Present Value
Not later than 1 year	1.73	23.40



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Indeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashna Nandani
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

Chief Financial Officer

Prakhar Software Solutions Limited

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Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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36 Details of Corporate Social Responsibility (CSR) expenditure

The company met the criteria under Section 135(1) of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the first time in the reporting period ending 31st March 2024. It has provided ₹11.91 lakh for CSR expenditure as of 31st March 2024 and ₹27.55 lakh as of 31st March 2025 for expenditure to be incurred in subsequent year.

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The detail for CSR activities is as follows

The Company has incurred CSR Expenditure of ₹12.47 lakhs for promoting education under pre-privileged children and promoting health care including preventive health and sanitation.

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31st March 2024
a. Gross amount required to be spent by the Company during the year	12.47	-
b) Amount spent during the year on the following		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	12.53	-
c) The excess/(shortfall) amount at the end of the year over and above the amount required to be spent by the company during the year	0.06	-
d) Total previous years excess/(shortfall) adjusted during the year		
e) The excess/(shortfall) amount at the end of the year (including excess/(shortfall) of previous years)	0.06	-

37 Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:**A. Reconciliation of revenue recognised with the contracted price:**

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31st March 2024
Gross revenue/Contracted price	14,430.38	9,452.36
Rebate and Discount	-	-
	14,430.38	9,452.36

B. Disaggregation of Revenue

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31st March 2024
At a point in time (sale of goods)	306.09	291.47
Over the period of time	14,124.30	9,160.89
	14,430.38	9,452.36



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Radheep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Neel
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahash
Director

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Prakhar
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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C Contract Balance

The following table provides information about trade receivables and contract liabilities from contract with customers

Receivable

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31st March 2024
Trade Receivables	5,871.02	2,806.32
Less: Allowances for Expected Credit Loss		
	5,871.02	2,806.32
Contract Liability		
Particulars	For the Year Ended 31 March 2025	For the Year Ended 31st March 2024
Advance From Customer	-	-
	-	-

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Neha
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salashaa Navale
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Richa Gittai
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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38 Financial Instrument Risk

Financials risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations, loans, security and other deposits.

The Company's operations expose it to market risk, credit risk and liquidity risk. The Company's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement. It is the Company's policy that no trading in derivatives for speculative purposes may be undertake.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given.

Foreign currency 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 which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Company's operations may be affected as the Indian Rupee appreciates/depreciates against these currencies.

At the end of reporting period, the company has not any exposure to foreign currency risk.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Indeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashaa Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Chief Financial Officer

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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Particulars	As at 31st March	As at 31st March
Variable Rate Borrowings:		
Loan Repayable on demand	299.81	467.39
Home loan	130.17	105.61
Other Business Loan	65.04	
Fixed Rate Borrowings		
Vehicle Loan	25.29	26.08
Unsecured Business Loan	267.25	267.85
Other Unsecured loan		103.37
Loan From related parties	21.92	16.34

The Company's fixed-rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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

Particulars	As at 31st March 2025	As at 31st March 2024
Interest rates - increase by 25 basis points *	2.39	0.81
Interest rates - decrease by 25 basis points *	-2.39	-0.81

*Holding all other variables constant

Credit Risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue.

These are unsecured and are managed by the Company through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. The Company for the Financial Year (FY) derived 40% (Previous year: 93%) of its total sales from sales of services to the Government PSU and Government undertaking under Ministry of Electronics and Information Technology. The Company expects to continue to derive most of its sales of services from these companies in future.

Provision for expected credit losses:

As the Company's debtors are predominantly the Government PSU and Government undertaking under Ministry of Electronics and Information Technology, where the counter - parties have sufficient capacity to meet the obligations and where the risk of default is nil / negligible. Accordingly, impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy of the Company. Further, management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Bishakh Chatterjee
Company Secretary

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025
CIN: U72100DL2014PLC262988

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, shareholder equity, and finance leases.

The below table summarises the Company's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statement

Particulars	31st March 2025	31st March 2024
Company's Long Term Debt	487.75	399.54
Company's long-term debt that will mature in less than one year from reporting period	207.72	142.81
	42.59%	35.74%

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Company believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.

As a matter of policy, the Company does not carry out any hedging activities.
There has been no default in servicing borrowings.

The company has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Company believes that there is no provision required to be made for impairment losses on these assets.

Particulars	31st March 2025	31st March 2024
Investment	-	-
Loans	173.89	-
Other Financial assets	137.84	282.50
	311.72	282.50

The credit risk for cash and cash equivalents, bank deposits including interest accrued thereon is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and State Government bodies.



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Randeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Bisak Littal

Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salvatore
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nihar

Company Secretary

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025
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Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

	31st March 2025	31st March 2024
Balance at the beginning of Reporting period	986.77	357.76
Net Cash Flow from Financing Activities	183.19	626.13
Repayment of Lease Liability		
Other Non-Cash Items	112.76	2.88
Balance at the closing of Reporting Period	1,282.72	986.77

39 Fair value measurements

Financial instruments by categories

The carrying values and fair values of financial instruments by categories are as follows:

Particulars	Note	31st March 2025		31st March 2024	
		FVTPL	Amotrised Cost	FVTPL	Amotrised Cost
I Non-current financial assets					
a. Investment	4		-		-
b. Others financial assets	5		137.84		123.60
II Current financial assets					
a. Trade and other receivables	8		5,871.02		2,806.32
b. Loan given	9		173.89		-
c. Others financial assets	5		53.11		61.98
d. Cash and cash equivalents	10	95.57		137.10	
		95.57	6,235.86	137.10	2,991.91
Financial Liabilities					
I Non-Current Borrowings	13A		280.03		256.73
II Other Financial liabilities	14				7.66
III Current Financial Liabilities					
a. Borrowings	13B		529.69		729.91
b. Lease Liabilities	14		10.39		23.40
c. Trade Payable	15		1,205.67		1,331.51
		-	2,025.78	-	2,349.21



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nobin
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salashaa Namdeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh Gupta
Financial Officer

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

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Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

and 31st March 2024 as follows (refer note 3.1)

31st March 2025	Date of Valuation		Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Total			
Cash and Cash Equivalent	31st March 2025	137.10			137.10

31st March 2024	Date of Valuation		Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Total			
Cash and Cash Equivalent	31st March 2025	95.57			95.57

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Randeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Prakash
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Navadeo
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh Giltan
Chief Financial Officer



Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

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40 Financial Ratio

Sl. No.	Ratio	Measure- nt unit	Numerator	Denominator		As at 31st March 2025	As at 31st March 2024	Change (%)	Reason For Variance if more than 25%
1	Current ratio	Times	Current assets	Current liabilities (inclusive of current maturities of long-term		2.27	1.38	64.38%	Footnote 1
2	Debt-equity ratio	Times	"Total debt [Non-current borrowings + Current borrowings+ Lease liabilities]"	Total equity		0.17	0.68	-74.28%	Footnote 2
3	Debt service coverage ratio	Times	Earnings available for debt service [Profit/(loss) after tax + Depreciation and amortisation + impairment + finance cost)	Debt service (interest and lease payments + principal repayments)		6.79	11.76	-42.25%	Footnote 3
4	Return on equity ratio	Percentage	Net profit after tax	"Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity)/2]"		64.93%	60.53%	7.26%	Not Applicable
5	Inventory turnover ratio	Times	Costs of materials consumed + Purchases of stock-in-trade + Changes in inventories of traded goods	"Average inventories [(opening inventories + closing inventories) /2]"		NA	NA	NA	Not Applicable
6	Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables=[(opening trade receivables +closing tradereceivables)/2]		0.83	1.20	-30.95%	Footnote 4

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pradeep
Director

Rishabh Gupta
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashan Namdeo
Director

Neha
Company Secretary

Prakhar Software Solutions Limited

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7	Trade payables turnover ratio	Times	Cost of services	"Average trade payables [(opening trade payables + closing trade payables)/2]"		7.96	8.41	-5.43%	Not Applicable
8	Net capital turnover ratio	Times	Revenue from operations	"Working capital [current assets - current liabilities inclusive of current maturities of long-term debts]"		3.82	8.35	-54.21%	Footnote 5
9	Net profit ratio	Percentage	Net profit after tax	Revenue from operations		13.98%	7.39%	89.16%	Footnote 6
10	Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed = Total equity + total borrowing + deferred tax liabilities		32.37%	43.15%	-24.99%	Footnote 7
11	Return on investment (ROI)	Percentage	Earnings before interest and tax	Total assets		35.63%	23.040%	54.66%	Footnote 8

Note:

- The current ratio has increased due to a higher volume of sales, which led to a rise in debtors and overall current assets, while current liabilities have increased only marginally.
- The Company's borrowings reduced during FY 2024 due to repayment of debt through EMIs, and no major borrowings were availed in FY 2025. Further, the Company issued fresh equity share capital at a premium during FY 2025. Collectively, these factors have resulted in a lower debt-to-equity ratio.
- The company's profit growth was driven by borrowings; however, the resulting high interest costs and loan repayments have led to a decline in the Debt Service Coverage Ratio.
- The company's revenue has increased, resulting in higher debtors, as some parties had two months of billing outstanding in March. Since the service period had already ended in March, the revenue was recognized accordingly.
- Although the company's revenue has increased, the working capital has also grown, resulting in a lower net working capital turnover ratio.
- Due to economies of scale and the availability of an in-house professional team, direct costs have reduced, leading to higher gross margins. This improvement has also flowed through to net profit, resulting in an increased net profit ratio.
- The company raised funds through equity and some additional debt during the latter part of the second quarter and in the third quarter. As a result, capital employed increased, but the revenue did not grow proportionately compared to previous periods.
- Since the company raised funds through equity and debt and invested them in current and Non Current assets, the Return on Investment (ROI) has increased.

For PRAKHAR SOFTWARE SOLUTIONS LTD.



Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Abhishek
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahash
Director

Rishi
Director

Prakhar Software Solutions Limited
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Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025
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41 Disclosure as per Ind AS 1 'Presentation of Financial Statements'.

Previous year figures have been regrouped/rearranged wherever considered necessary

1. In accordance with Ind-AS 1 'Presentation of Financial Statements,' the company has, where necessary, regrouped, rearranged, or reclassified figures of standalone financial statement from the prior year to enhance their comparability with those of the current year. During this process, an inadvertent error in the previous grouping, classification, or arrangement of certain figures was identified. Management has therefore taken appropriate steps to reclassify and regroup past figures, ensuring a clearer and more consistent comparison with the current year's results.

2. Reconciliation of Restate items of balance sheet as at 31st March 2024 and 01st April 2023

Particulars	Note No.	As at March 31, 2024			As at April 1, 2023		
		As previously Reported	Adjustment	As Reclassified	As previously Reported	Adjustment	As Reclassified
Others financial assets							
Security Deposits	2.4	167.40	18.18	185.58	268.62		268.62
Cash and cash equivalents	2.4	154.47	-18.18	136.29	208.31		208.31
Other current assets							
Advance to Suppliers	2.3	224.95	679.60	904.55	74.86	6.91	81.77
Borrowings	2.1	963.26	23.38	986.64	357.76	6.91	364.67
Trade payables	2.2	753.75	519.57	1,273.32	389.17		389.17
Other Current Liability	2.5	527.10	313.62	840.72			
Trade Receivable	2.6	2,720.77	18.07	2,738.84			
Loans	2.7		158.90	158.90			

2.1 Borrowing

Due to an inadvertent error, amounts of ₹23.38 and ₹6.38 were previously netted off under other current assets for the preceding year. During the current financial year, the company has reclassified these amounts to borrowings. As a result, the total borrowing amounts are reported as ₹986.64 as of 31st March 2025 and ₹364.67 as of 1st April 2023

2.2 Trade Payable

Due to an advertant error, an amount of ₹765.88 provided as an advance to a supplier was offset against sundry creditors. Accordingly, sundry creditors were previously reported as ₹753.75. The management has now reclassified the advance to the supplier under "other current assets." As a result, the total amount of sundry creditors is now reported as ₹1519.63.

2.3 Advance to Supplier

For the reporting periods ending on 31st March 2024 and 01st April 2023, advances amounting to ₹ 23.38 and ₹ 6.38, respectively, have been reclassified as borrowings. Additionally, an advance to a supplier amounting to ₹ 765.88 has been reclassified under other current assets. As a result, the balance of advances to others for the periods ended on 31st March 2024 and 1st April 2023 stands at ₹ 1014.21 and ₹ 81.77, respectively.

2.4 Cash and cash Equivalent and Other Financial assets

In the previous reporting period ending 31st March 2024, a fixed deposit marked as lien for the issuance of a bank guarantee as a security deposit amounting to ₹18.18 lakhs was classified under Cash and Cash Equivalents due to advertant mistake. In the current period ending 31st March 2025, this amount has been reclassified to Other Financial Assets as a Security Deposit.

Other Current Liability

In the Previous reporting period ending on 31st March 2024, Expenses Payable and Advance From Customer have classified due to inadvertant mistake as trade

- 2.5 Payable and Receivable for amounting to ₹. 246.72 lakhs and ₹. 66.90 lakhs Respectively. During this Year Managment has reclassified these amount into Current Liability

Trade Receivable

- 2.6 In the Previous reporting period ending on 31st March 2024, Advanance to Supplier amounting to ₹ 48.84 Lakhs and Advance from customer amounting to Rs. 66.90 lakhs have classified due to inadvertant mistake as trade receivable. During this Year Managment has reclassified these amount as other Current Liability and other current assets. Consequently the resulting trade receivable for the year ended on 31 March 2024 comes out to Rs. 2738.84 Lakhs

Loan Receivable

During the Previous Reporting period ending on 31st March 2024, amounting to ₹17.83 lakhs and 141.27 lakhs reclassified as Trade receivable and other receivable. Due to inadvertant mistake, now, the same is reclassified in to loaned group and corresponding amount is also reported.

2.7



Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Salvasee Naundev
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary

Kishu Datta
Chief Financial Officer

3 Reconciliation of Restate items of Cash Flow as at 31st March 2024

Particulars	As at March 31, 2024	
	As previously Reported	Amount change due to reclassification
Changes in Cash Flow From operating Activities		
Cash Generated From operation		(282.00)
Total Reported in Change in working Capital		
Increase in Difference in trade and other payable	422.73	765.88
Decrease in Difference in other assets	(150.09)	(789.26)
Decrease in Difference in other Financial assets	101.23	(18.18)
		(323.56)
Change in Cash Flow from investing activities	(360.63)	(360.63)
Change in Cash Flow from Financing activities		
As Reported on 31st March 2024		588.60
Change in proceeds from short term borrowing		23.38
Net Change in cash Flow during the period ended on 31st March		611.98
Cash and Cash Equivalent as on 01st April 2023		209.31
Net Closing Cash and cash equivalent as on 31st March 2024		137.10

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Michael
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Namdeo

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

Rishabh Gattai
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the consolidated Financial Statement for the year ended 31st March 2025

CIN: U72100DL2014PLC262988

42 Additional regulatory information not disclosed elsewhere in the financial information during current and previous financial year.

a. The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b. The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

c. The Company does not have any charges which is yet to be registered with ROC beyond the statutory period

d. The Company has not traded or invested in Crypto currency or Virtual Currency.

e. The Company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

g. The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h. The Company has not been declared a 'Wilful Defaulter' by any bank (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

i. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

j. The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken

k. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both.

l. The Company has borrowings from banks on the basis of security of current assets. However, The Company has not required to submit the quarterly returns or statement to the bank or financial statement.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rudraj
Director

Rishabh Mittal
Chief Financial Officer

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahasraa Namdeo

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Neha
Company Secretary



43 Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies covered under the Act, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses accounting software's for maintaining its books of account.

During the year, the audit trail (edit log) feature at the application level was operating for all relevant transactions recorded in such software

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For GNP MARKS & Co.
Chartered Accountants
ICAI Firm Reg. No: 029556N

CA Mukesh Kumar Singh
Partner
Membership Number: 532077
UDIN: 25532077-BMLBRB7569

Place: New Delhi
Date: 18-08-2025

For PRAKHAR SOFTWARE SOLUTIONS LTD.


Director

Pradeep Namdeo
Director
DIN : 05272209

For and on behalf of the Board of Directors of

For PRAKHAR SOFTWARE SOLUTIONS LTD.


Director

Sahasha Namdeo
Director
DIN : 06746773

For PRAKHAR SOFTWARE SOLUTIONS LTD.


Chief Financial Officer
(CFO)

For PRAKHAR SOFTWARE SOLUTIONS LTD.


Niharika Jain
(Company Secretary)
M.No. ACS 67906



Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

1. Corporate information

Prakhar Software Solutions Limited (Formerly Known as Prakhar Software Solutions Private Limited) (herein after referred to as the "the Company") is a Public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. The registered office of the company is located at C-11, LGF, C-Block, Malviya Nagar, New Delhi, Malviya Nagar (South Delhi), South Delhi, New Delhi, Delhi, India, 110017. The Company was incorporated on 02st January 2014 with Corporate Identification Number U72100DL2014PLC262988 under the provision of The Companies Act, 2013. The Company is primarily engaged in IT Training and Support Services, Skilled based manpower supply.

2. Basis of Preparation

These Consolidation financial statements ("financial statements") of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") and comply with requirements of Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Act other pronouncements/ provisions of applicable laws. These financial statements are authorised for issue on 18th August 2025 in accordance with a resolution of the Board of Directors. The Board of Directors can permit the revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

These CFS have been prepared using the material accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on the historical cost convention on accrual basis except for certain assets and liabilities which are measured at fair value/amortised cost/Net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

- Expected to be settled in normal operating cycle;



Pradeep
Director

Sahasra
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Nishu
Company Secretary

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishu
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

- b. It is held primarily for the purpose of trading;
 - c. It is due to be settled within twelve months after the reporting period; or
 - d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The Consolidate Financial Statements are presented in Indian Rupees, and all values are rounded off to the nearest two decimal lakh except otherwise stated

3. Material Accounting Policies

3.1 Fair value measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahashan

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

Chief Financial Officer

Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

3.2 Revenue recognition

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 goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recognised when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts

At the inception of the new contractual arrangement with the customer, the Company identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

a. Sale of Goods:

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers which coincides with their delivery to customer and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

b. Sale of Service

- i. Revenue from services represents the amounts receivable for services rendered.
- ii. For contract-based business (Expressed or implied), revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the period in which the service is rendered.
- iii. Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- iv. Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.

c. Rendering of services :

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Pradeep

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Satish

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Shishu

Chief Financial Officer

Prakhar Software Solutions Limited
(Formerly Known as Prakhar Software Solutions Private Limited)
Summary of Material accounting Policies and other explanatory information
on the Consolidated Financial Statement for the year ended 31st March 2025

or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

d. Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

3.3 Inventories

Inventories are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

3.4 Property, plant and equipment

Property, plant and equipment and capital work- in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Value for individual assets acquired for a consolidated price, the cost is apportioned to the various assets on their relative fair values basis as determined by competent valuers.

Depreciation:

The management has estimated, supported by technical assessment, the useful lives of property, plant and equipment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company depreciates property, plant and equipment over the estimated useful lives using the written down value method from the date the assets are available for use. The estimated useful lives of assets are as follows

Particulars	Useful life (upto)
Plant & Machinery	15 years
FURNITURE & FIXURES	8 Years
Vehicles	8 Years
Office Equipment	5 years
Computer and data processing units	3 Years

Freehold land is not depreciated.

Derecognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

Breakages of containers are adjusted on 'first bought first broken' basis, since it is not feasible to specifically identify the broken containers in the fixed assets records.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

3.5 Intangible assets

- a. Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are recognized at cost less any accumulated amortization and accumulated impairment losses, if any.
- b. Development Costs having useful life and which will generate probable future economic benefits are recognized as an intangible asset and amortised over production based on technical estimate and to the extent not amortized are carried forward.
- c. The cost of software internally generated / acquired for internal use which is not an integral part of the related hardware, is recognized as an intangible asset and is amortised over five years, on straight line method. Amortisation commences when the asset is available for use.
- d. Expenditure on Research is recognized as expenditure in the period in which it is incurred.
- e. Wherever it is not possible to assess the useful life of an intangible asset (whether or not significant) the same is not amortised. Impairment on such intangible assets are reviewed annually and when there is an indication of impairment, the asset is impaired.

3.6 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed to the Statement of Profit and Loss in the period in which they occur.

3.7 Lease accounting

The Group recognizes, at inception of a contract a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company as a lessee

- a. At the date of commencement of the lease, the Company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the Company recognizes the lease payment as an expense on a straight line basis over the term of the lease.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

- b. At commencement date the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.
- c. The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.
- d. At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.
- e. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Short term lease payments and payments for leases of low value assets are classified as operating cash flows.

3.8 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution to plans, defined benefit plans and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the employees of the Company.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Bonus

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Post-employment obligations

The Company operates the following post-employment schemes:

- i) Defined contribution plans such as provident fund and employees' state insurance; and
- ii) Defined benefit plans such as gratuity.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Salasha

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Chief Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

Defined contribution plan

The Company's policy to contribute on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Group has a defined benefit plan, viz., Gratuity, for all its employees, the liability for which is accrued and provided for as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed to a fund administered and operated by a reputed insurance company. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bonds at the end of the reporting periods that have approximately similar terms to the related obligation.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs.

The net interest is calculated by applying the above-mentioned discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in the employee benefits expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

3.9 Government grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

Grants related to income are recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'Other Income'. Further, where loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds to be received. That grant is recognised in the Statement of Profit and Loss under 'other operating revenue'. The loan is subsequently measured in the year of disbursement as per the accounting policy applicable to financial liabilities.

Government grants related to assets are presented in the balance sheet by deducting the grant from the carrying value of the asset and non-monetary grant is recognised at a nominal value.

3.10 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. 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. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI 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 including amount expected to be paid/recovered for uncertain tax position.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.

Director

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Sahas

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Financial Officer

Prakhar Software Solutions Limited

(Formerly Known as Prakhar Software Solutions Private Limited)

Summary of Material accounting Policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March 2025

recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off.

current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

3.11 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of providing Skilled based manpower training and make available to its customer. Accordingly, the Company is a single CGU, hence single segment Company.

3.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director
Ruddeep

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director
Sahas

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director
Rishabh Gitter
Chief Financial Officer

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When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Company Secretary



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Director

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For PRAKHAR SOFTWARE SOLUTIONS LTD.
Chief Financial Officer

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Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- i. Financial assets at amortised cost
- ii. Financial assets at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

after initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

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For PRAKHAR SOFTWARE SOLUTIONS LTD.
Director

Haideep

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Sahar Haideep

Director

For PRAKHAR SOFTWARE SOLUTIONS LTD.

Rishabh Gittal

Chief Financial Officer

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Financial instruments at FVTOCI

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instruments at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain /loss on assets measured at FVTPL are presented in the statement of profit and loss within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Company Secretary

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Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/losses in the period in which it arises.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Similarly, where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognised for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. How the Company determines whether there has been a significant increase in the credit risk has been detailed in the notes to the financial statements. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised in the statement of profit and loss

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables as appropriate

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any entered into by the Company, that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial

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Company Secretary



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liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as other gains/losses.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are financial assets, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company of the counterparty

3.14 Investment in subsidiaries, joint venture and associates

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

For PRAKHAR SOFTWARE SOLUTIONS LTD.
Company Secretary



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Director

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An associate is an entity over which the Company has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company has elected to recognise its investments in subsidiary, joint venture and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Investment carried at cost is tested for impairment as per Ind-AS 36.

3.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.16 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

3.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more

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uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

3.19 Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

In case of a bonus issue and sub-division/split, the number of ordinary shares outstanding is increased by number of shares issued as bonus shares and sub-division/split respectively in current year and comparative period presented as if the event had occurred at the beginning of the earliest year presented.

For the purpose of calculating diluted earnings/ (loss) 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 are adjusted for the effects of all dilutive potential equity shares.

3.20 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below

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and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

i. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Useful lives of tangible/intangible assets

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

ii. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual

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developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of 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.

iii. Inventory

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices

iv. Impairment of non-financial assets and goodwill

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate



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