MSKA & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Members of **BORQS Technologies India Private Limited**

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing (SAs) are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the Financial Statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books, that the back-up of the books of account and other books and papers maintained in electronic mode has been kept on servers physically located in India on a daily basis only from January 23, 2026. Prior to this date, backups were performed on weekdays as enabled from June 13, 2026.

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(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2026.

iv.

a) The Management has represented that, to the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented that, to the best of our knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to my/our notice that has caused me/us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

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Chartered Accountants

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

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was enabled from June 25, 2026. Further, where enabled, the audit trail feature has operated throughout the period for all the relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, in previous year the audit trail feature was not enabled in the accounting software and accordingly we are unable to comment whether the audit trail of the previous year has been preserved by the Company as per the statutory requirements for record retention prescribed under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. - 105047W/ W101187

Deepak Khatri

Deepak Khatri
Partner
Membership No. 130795
UDIN: 26130795YQOLFA2724

MSKA & ASSOCIATES LLP
Bangalore
Chartered Accountants

Place: Bengaluru
Date: May 5, 2026

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095. INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BORQS TECHNOLOGIES INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No - 105047W/W101187

Deepak Khatri

MSKA & ASSOCIATES LLP
Bangalore
Chartered Accountants

Deepak Khatri
Partner
Membership No. 130795
UDIN: 26130795YQOLFA2724

Place: Bengaluru
Date: May 05, 2026

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BORQS TECHNOLOGIES INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2026

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

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(a) B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During any point of time of the year, the Company has not been sanctioned working capital limits from Banks and financial institutions on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

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vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of customs, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, dues relating to income tax which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs. (In Lakhs)	Amount Paid Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
INCOME Tax Act, 1961	Income Taxes and Interest	220.69	-	Financial Year 2022-2023	CIT(A)	Not Applicable
INCOME Tax Act, 1961	Income Taxes and Interest	91.63	-	Financial Year 2021-2022	ITAT Bangalore	Not Applicable

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us, there are no funds raised during the year. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Hence reporting under the clause (ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

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(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. Further, the transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013. Accordingly, requirement to report under clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

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xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year but has incurred cash losses amounting to Rs. 3,167.01 lakhs during the immediately preceding financial year.

xviii. There has been resignation of the erstwhile statutory auditor during the year. No issues, objections or concerns were raised by the outgoing auditor.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 33 to the Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/ W101187

Deepak Khatri

MSKA & ASSOCIATES LLP
Bangalore
Chartered Accountants

Deepak Khatri
Partner
Membership No.:130795
UDIN: 26130795YQOLFA2724

Place: Bengaluru
Date: May 05, 2026

MSKA & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BORQS TECHNOLOGIES INDIA PRIVATE LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of BORQS TECHNOLOGIES INDIA PRIVATE LIMITED on the Financial Statements for the year ended March 31, 2026]

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

Opinion

We have audited the internal financial controls with reference to financial statements of BORQS TECHNOLOGIES INDIA PRIVATE LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed, under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/ W101187

Deepak Khatri

MSKA & ASSOCIATES LLP Bangalore Chartered Accountants

Deepak Khatri
Partner
Membership No. 130795
UDIN: 26130795YQOLFA2724

Place: Bengaluru
Date: May 05, 2026

Borqs Technologies India Private Limited
Balance sheet
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
ASSETS				
Non-current assets				
Property, plant and equipment	5	272.25	331.92	371.17
Other intangible assets	6	0.14	7.36	20.64
Financial assets				
Other financials assets	7	7.25	6.85	-
Deferred tax assets	24	144.46	41.31	53.00
Other tax assets	24	1,250.11	832.59	1,354.66
Total non-current assets		**1,674.21**	**1,220.03**	**1,799.47**
Current assets				
Financial assets				
Trade receivables	8	2,208.77	1,262.64	1,718.23
Cash and cash equivalents	9	277.80	1,193.67	168.29
Bank balances other than above	9	-	586.02	2,868.97
Other financial assets	10	1,059.55	1,964.48	342.75
Unbilled revenue		510.30	-	-
Contract asset	27	140.10	-	-
Other current assets	11	75.21	250.00	137.21
Total current assets		**4,271.73**	**5,256.81**	**5,235.45**
TOTAL ASSETS		**5,945.94**	**6,476.84**	**7,034.92**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	1.00	1.00	1.00
Other equity		3,423.34	3,127.23	6,434.71
Total Equity		**3,424.34**	**3,128.23**	**6,435.71**
Liabilities				
Non-current liabilities				
Other financial liabilities	13	-	652.58	-
Provisions	14	232.47	-	-
Total non-current liabilities		**232.47**	**652.58**	**-**
Current liabilities				
Financial liabilities				
Trade payables	15			
Total outstanding dues to micro and small enterprises		13.03	-	-
Total outstanding dues to other than micro and small enterprises		870.33	22.73	73.81
Other financial liabilities	16	726.52	1,192.62	184.29
Deferred revenue	27	93.18	-	-
Other current liabilities	17	239.60	1,308.96	203.50
Provisions	18	346.47	171.72	137.61
Total current liabilities		**2,289.13**	**2,696.03**	**599.21**
TOTAL EQUITY AND LIABILITIES		**5,945.94**	**6,476.84**	**7,034.92**

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration Number: 105047W/W101187

Deepak Khatri

MSKA & ASSOCIATES LLP Bangalore Chartered Accountants

Deepak Khatri
Partner
Membership No:130795

Place : Bengaluru
Date : May 05, 2026

For and on behalf of the Board of Directors of
Borqs Technologies India Private Limited

Rajiv C Mody
Director
DIN: 00092037

Hareesh Ramanna
Director
DIN: 02778643

Place : Bengaluru
Date : May 05, 2026

Borqs Technologies India Private Limited BORQS

Borqs Technologies India Private Limited
Statement of profit and loss
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	19	12,538.07	10,097.42
Other income	20	79.38	214.93
Total income		12,617.45	10,312.35
EXPENSES			
Employee benefits expense	21	9,551.56	11,451.99
Finance cost	22	9.87	-
Depreciation and amortization expense	5 & 6	173.68	140.44
Other expenses	23	2,209.09	1,954.36
Total expenses		11,944.20	13,546.79
Profit before exceptional items and tax		673.25	(3,234.44)
Exceptional item:			
Impact of labour code	34	384.32	-
		384.32	-
Profit before tax		288.93	(3,234.44)
Tax expenses:			
Current taxes	24	109.38	34.26
Deferred taxes	24	(103.15)	11.69
		6.23	45.95
Profit/(loss) for the year		282.70	(3,280.39)
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement gain / (loss) of defined benefit plans (net of tax)	29	13.41	(27.09)
Net other comprehensive income / (loss) not to be reclassified subsequently to profit and loss		13.41	(27.09)
Other comprehensive income/ (loss) for the year, net of income tax		13.41	(27.09)
Total comprehensive income/(loss) for the year		296.11	(3,307.48)
Earnings per share (EPS)	25		
Basic & Diluted EPS		2,826.98	(32,803.90)
Weighted average equity shares used in computing EPS			
Basic & Diluted EPS		10,000	10,000

The accompanying notes form an integral part of these financial statements.
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Rajiv C Mody
Director
DIN: 00092037

Place : Bengaluru
Date : May 05, 2026

R. Hareesh

Hareesh Ramanna
Director
DIN: 02778643

Borqs Technologies India Private Limited
BORQS

Borqs Technologies India Private Limited
Statement of Changes in Equity
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

A. Equity share capital

Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current year	Changes in equity share capital during the year	Balance as at March 31, 2025
A	B	C=A-B	D	E=C+D
1.00	-	1.00	-	1.00

Balance as at April 1, 2025	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current year	Changes in equity share capital during the year	Balance as at March 31, 2026
A	B	C=A-B	D	E=C+D
1.00	-	1.00	-	1.00

B. Other equity

Particulars	Attributable to the owners of the Company			Total
	Reserves and surplus		Other comprehensive	
	Securities premium	Retained earnings	Remeasurement of defined benefit liability	
Balance as at April 1, 2024		6,434.71	-	6,434.71
Profit for the year		(3,280.39)		(3,280.39)
Other comprehensive income/(loss)			(27.09)	(27.09)
Transferred to securities premium				-
Transferred to retained earnings		(27.09)	27.09	-
Balance as at March 31, 2025	-	3,127.23	-	3,127.23

Particulars	Attributable to the owners of the Company			Total
	Reserves and surplus		Other comprehensive	
	Securities premium	Retained earnings	Remeasurement of defined benefit liability	
Balance as at April 1, 2025	-	3,127.23		3,127.23
Profit for the year		282.70		282.70
Other comprehensive income/(loss)			13.41	13.41
Transferred to retained earnings		13.41	(13.41)	-
Balance as at March 31, 2026	-	3,423.34	-	3,423.34

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

As per our report of even date attached

For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration Number: 105047W/W101187

Deepak Khatri

MSKA & ASSOCIATES LLP ★ Chartered Accountants ★ Bangalore

Deepak Khatri
Partner
Membership No:130795

Place : Bengaluru
Date : May 05, 2026

For and on behalf of the Board of Directors of
Borqs Technologies India Private Limited

Rajiv C Mody
Director
DIN: 00092037

Place : Bengaluru
Date : May 05, 2026

Hareesh Ramanna
Director
DIN: 02778643

BORQS Technologies India Private Limited ★ BORQS

Borqs Technologies India Private Limited
Statement of cash flows
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	288.93	(3,234.44)
Adjustments for:		
Depreciation and amortization expense	173.68	140.44
Interest income	(47.65)	(214.86)
Gain on sale of investments	(1.48)	-
Gain on sale of property, plant and equipment	-	(4.12)
Finance cost	9.87	-
Operating profit before working capital changes	423.35	(3,312.98)
Changes in assets and liabilities:		
(Increase) / Decrease in Trade receivables, contract assets and unbilled revenue	(1,596.53)	455.59
(Increase) / Decrease in Other financial assets and other assets	1,079.32	(1,741.37)
Increase / (Decrease) in Trade payables	860.65	(51.10)
Increase / (Decrease) other financial liabilities, other liabilities and deferred revenue	(2,094.86)	2,766.36
Increase / (Decrease) provisions	420.61	7.02
Cash generated from operating activities	(907.46)	(1,876.48)
Income taxes paid	(526.90)	487.82
Net cash generated from operating activities (A)	(1,434.36)	(1,388.65)
Cash flows from investing activities		
Interest received	47.65	214.86
Purchase of property, plant and equipment & Intangible assets	(106.79)	(89.64)
Proceeds from sale of property, plant and equipment	-	5.86
Proceeds from bank deposits	586.02	2,282.95
Investment in mutual funds	(449.04)	-
Proceeds from sale of mutual funds	450.52	-
Net cash (used in) / generated from investing activities (B)	528.36	2,414.03
Cash flows from financing activities		
Loan availed from group company	700.00	-
Loan repaid to group company	(700.00)	-
Interest paid	(9.87)	-
Net cash used in financing activities (C)	(9.87)	-
Net increase in cash and cash equivalents (A+B+C)	(915.87)	1,025.38
Cash and cash equivalents at the beginning of the year	1,193.67	168.29
Net increase in cash and cash equivalents	(915.87)	1,025.38
Cash and cash equivalents at the end of the year	277.80	1,193.67

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

As per our report of even date attached

For M S K A & Associates LLP
(formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration Number: 105047W/W101187

Deepak Khatri

Deepak Khatri
Partner
Membership No:130795

MSKA & ASSOCIATES LLP Bangalore Chartered Accountants

Place : Bengaluru
Date : May 05, 2026

For and on behalf of the Board of Directors of
Borqs Technologies India Private Limited

Rajiv C Mody
Director
DIN: 00092037

R. Hareesh

Hareesh Ramanna
Director
DIN: 02778643

Place : Bengaluru
Date : May 05, 2026

Borqs Technologies India Private Limited BORQS

1. Company overview

BORQS Software Solutions Private Limited ('the Company') was incorporated on July 23, 2007 as a private limited company under the Companies Act ('the Act'). The Company later changed its name to Borqs Technologies India Private Limited on January 02, 2024.

The Company is a wholly owned subsidiary of Borqs International Holding Corp, incorporated in the Cayman Islands, which acts as its immediate parent. On April 08, 2025, Borqs International Holding Corp was acquired by Sasken Singapore Design Pte Limited, pursuant to this Sasken Technologies Limited become ultimate parent of the Company.

The Company is engaged in the business of product engineering including designing,implementation and product management of customized consumer and enterprise devices.

The financial statements have been approved for issue by the Company's Board of Directors on May 05, 2026.

2. Basis of preparation of financial statements

A. Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and other relevant provisions of the Act (Ind AS).

Up to the year ended March 31, 2025, the Company had prepared its financial statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 01, 2024.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements correspond to the classification provisions contained in Ind AS 1,"Presentation of Financial Statements". For clarity, various items are aggregated in the statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts included in these financial statements are reported in INR (Amount in ₹ lakhs), except share and per share data, unless otherwise stated.

B. Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except for the following material items which have been measured at fair value as required by relevant Ind AS:

Items	Measurement basis
Investments classified as fair value through Profit and Loss	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Share based payment options	Fair value

C. Use of estimates and judgments

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

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

Assumptions and estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in these financial statements are included in the following notes:

a) Revenue recognition:

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations and the ability of the customer to benefit independently from such obligations, and allocation of transaction price to these distinct performance obligations involves significant judgement.The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Company uses the percentage of completion i.e. input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

b) Expected credit losses on financial assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Provisions and contingent liabilities:

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

d) Share based payments:

The Company estimates the likelihood of the non-market performance conditions being met to determine the number of equity instruments that will ultimately vest.

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Borqs Technologies India Private Limited BORQS

e) Income taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

f) Deferred taxes:

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

g) Defined benefit plans and compensated absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and fair value of plan assets. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h) Property, plant and equipment & Intangibles:

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period.

D. Measurement of fair values :

Some of the Company's accounting policies and disclosures require measurement of fair values, for financial assets and liabilities and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of material accounting policies

(a) Property, plant and equipment (including intangible assets)

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work- in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement Profit and Loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2024, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4).

iii. Subsequent expenditure

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

iv. Depreciation and amortization

Based on an independent assessment, Management has estimated the useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II of the Companies Act 2013. Management believes this best represents the period over which they expect to use these assets. Depreciation is provided using the straight line method (SLM), over the estimated useful life of the asset, as follows:

Asset block	Estimated useful life	Useful life as per Schedule II
Computers	3	3
Furniture and fixtures	10	10
Office equipment	5	5
Vehicles	5	8

Assets with unit value of ₹ 5,000 or less are depreciated entirely in the year of acquisition.

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Borqs Technologies India Private Limited BORQS

Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Asset block	Estimated useful life
Computer software	3-5 years

(b) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee
The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company measures the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company measures the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The right-of-use assets is depreciated using the straight-line method from the date of initial application over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. 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.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(c) Revenue

The Company derives revenues from rendering software services, installation and commissioning services ,maintenance services and design and development services.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

i. Time and material contracts
Revenue and costs relating to time and material contracts are recognized as and when the services are rendered.

ii. Fixed-price contracts

Revenue from fixed price service contracts and customized technology developments is recognized based on the percentage of completion method (POC) of accounting with contract cost incurred determining the degree of completion of the performance obligation. Revenue from maintenance contracts is recognized ratably over the term of the maintenance arrangement.

The solutions offered by the Company may include supply of third-party software. In such cases, revenue for supply of such third party software are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Deferred revenue ("contract liability") is recognized when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method. Dividend income is recognized when the right to receive the dividend is established.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography and nature of services.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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3. Summary of material accounting policies (continued)

(d) Foreign currency

Foreign currency transactions

(i) Initial recognition

Transactions in foreign currency are translated into the reporting currency by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date, of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses), net within results of operating activities, except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated on the exchange rate at the date of the transaction.

(e) Financial instruments

i. Recognition and initial measurement
Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at amortized cost or fair value through Profit and Loss (FVTPL) or fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

All financial assets not classified as measured at amortized cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of profit and Loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
Financial assets at OCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

iii. Derecognition

Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the Statement of Profit and Loss.

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Borqs Technologies India Private Limited BORQS

3. Summary of material accounting policies (continued)

(f) Impairment

i. Impairment of financial Asset

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization: or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible defaults over the expected life of a financial instrument.

ii. Impairment of non-financial assets

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(g) Equity

i. Share capital
The authorized share capital of the Company as of March 31, 2026 and March 31, 2025 is ₹ 5 lakhs i.e. 50,000 equity shares of ₹ 10 each. Par value of the equity shares is recorded as share capital.
Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder's meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting.

ii. Retained earnings
Retained earnings comprises of the Company's undistributed earnings after taxes and is available for dividend distribution.

iii. Other comprehensive income
Changes in the fair value of financial instruments measured at fair value through Other Comprehensive Income, exchange differences on translation of foreign operations and remeasurement gains and losses on defined benefit plans are recognized in Other Comprehensive Income (net of taxes), and presented within equity as Other Comprehensive Income.

a. Remeasurement gains/ losses
Remeasurement gains/ losses on defined benefit plans are recognized in Other Comprehensive Income (net of taxes) and presented within equity.

(h) Employee benefits

a) Post-employment and pension plans

The Company's employees participate in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related remeasurement and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee renders service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related remeasurement and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

All remeasurement gains or losses are immediately recognized in Other Comprehensive Income, net of taxes and permanently excluded from the Statement of Profit and Loss. Further, the the Statement of Profit and Loss will not include an expected return on plan assets. Instead, net interest recognized in the Statement of Profit and Loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through Other Comprehensive Income, net of taxes. The Company has the following employee benefit plans:

i. Gratuity

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Company contributes to gratuity funds maintained by third parties, such as insurance companies. The amount of contribution is determined based upon actuarial valuations as at the period end using the projected unit credit method. Provision is made for the shortfall between the actuarial valuation carried out as at balance sheet date as per projected unit credit method and the fair value of the plan assets with the third parties, such as insurance companies.

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3. Summary of material accounting policies (continued)

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

ii. Provident fund

Employees in India are eligible to receive provident fund benefits in which the employees and the employer make monthly contributions to the statutory provident fund commissioner in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

b) Short - term employee benefits

Employee benefits payable by the Company wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

c) Compensated absences

The Company's employees are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Accumulated leaves, which are expected to be utilized within the next twelve months and not eligible to be carried forward to future years, is treated as a short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

(i) Income taxes

Income tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss, except to the extent that it relates to a business combination or to an item recognized directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date and applicable for the period.

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

ii. Deferred tax

Deferred tax is recognized using the balance sheet approach, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable the Statement of Profit and Loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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3. Summary of material accounting policies (continued)

(j) Earnings per share

Basic earnings per share is computed by dividing the net the Statement of Profit and 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 ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The weighted average numbers of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and buy back of shares.

For the purpose of calculating diluted earnings per share, the net the Statement of Profit and Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(k) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognized or disclosed in the financial statements.

(l) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less. The cash flow statement is prepared under the indirect method.

(m) Stock compensation expense

Measurement and disclosure of the employee share-based payment plans is done in accordance with Ind AS 102 share based payments. The Company accounts for stock compensation expense based on the fair value of the options granted, determined on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options outstanding net of the deferred compensation expense is reflected as employee stock options outstanding.
At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the change in estimates, if any, is recognised in the standalone statement of profit and loss statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payments reserve in equity.
Cumulative expenses recognised pertaining to vested share options which are forfeited are transferred to General Reserve.

(n) Exceptional item

An item of income or expense is presented separately as an exceptional item when such presentation is relevant to an understanding of the Company's financial performance.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 13, 2025 MCA has notified following amendments to the existing accounting standards:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 - The amendment relates to classification of liabilities as current or non -current and non-current liabilities with covenants. In the context of classifying a liability as current,it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

New standards or amendments not yet adopted

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2026 - The amendment relates to Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants. Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.The Company will assess the impact, if any, on its operations or financial statements in the relevant financial year.

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4 Transition to Ind AS

As stated in Note 2, this is the first year of Company's financial statements prepared in accordance with Ind AS. For periods upto and including the year ended March 31,2025, the Company had prepared financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended March 31,2026 including the comparative information for the year ended March 31,2025 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2024.

In preparing its Ind AS balance sheet as at April 01,2024 and in presenting the comparative information for the year ended March 31,2025, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions;

A. Optional exemptions availed

1. Property plant and equipment and intangibles assets

As per Ind AS 101 an entity may elect to:

i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;

ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to fair value or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index;

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

B. Mandatory exceptions

1. Estimates

Estimates made under Ind AS are required to be same as those under Previous GAAP unless there is objective evidence that those estimates were erroneous or there are differences in accounting policies.

In accordance with Ind AS 101, where application of Ind AS requires us entity to make certain estimates that were not required under previous GAAP, those estimates have been made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

2. Classification & Measurement of Financial Assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification & measurement of financial assets on the basis of facts & circumstances that exist at the date of transition to Ind AS.

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(₹ in lakhs, except share and per share data, unless otherwise stated)

i. Effect of Ind AS adoption on equity as at March 31, 2025 and April 1, 2024:

Reconciliation of Equity

Particulars	Note	As at March 31, 2025	As at April 1, 2024
Equity under previous GAAP		3,128.23	6,435.71
Impact of IND AS adoption		-	-
Equity as per Ind AS		**3,128.23**	**6,435.71**

ii. Effect of Ind AS adoption on consolidated total comprehensive income for the year ended March 31, 2025:

Particulars	Note	Year ended March 31, 2025
Net income under previous GAAP		3,128.23
Employee benefits		27.09
Profit for the year		**3,155.32**
Ind AS adjustments in other comprehensive income, net of tax :		
Items that will not be reclassified subsequently to the statement of profit or loss:		
- Defined benefit plan actuarial gains/(losses)		(27.09)
Total other comprehensive income for the year, net of taxes		**3,128.23**
Total comprehensive income for the year		**3,128.23**

Notes to the reconciliations -

D. Tax impact (net): Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

E. Employee benefits: Under the Previous GAAP, actuarial gains and losses on defined benefit obligations were recognized in the statement of profit and loss. Under Ind AS, these are recognized in other comprehensive income.

There is no impact on assets, liabilities and equity as on April 01, 2024 on transition to Ind AS.

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Notes to the financial statements (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

5. Property, plant and equipment

Particulars	Computers	Furniture and fixtures	Office equipment	Motor Vehicle	Total
Deemed cost (refer note no - 4)					
As at April 1, 2024	56.85	0.47	190.62	123.23	371.17
Additions	3.60	-	84.90	1.14	89.64
Disposals	-	-	-	(3.83)	(3.83)
As at March 31, 2025	**60.45**	**0.47**	**275.52**	**120.54**	**456.98**
As at April 01, 2025	60.45	0.47	275.52	120.54	456.98
Additions	18.44	4.23	84.12	-	106.79
Disposals	(23.89)	-	(1.42)	-	(25.31)
As at March 31, 2026	**55.00**	**4.70**	**358.22**	**120.54**	**538.46**
Accumulated depreciation					
As at April 1, 2024	-	-	-	-	-
Depreciation for the year	27.84	-	73.14	26.18	127.16
Disposals	-	-	-	(2.10)	(2.10)
As at March 31, 2025	**27.84**	**-**	**73.14**	**24.08**	**125.06**
As at April 01, 2025	27.84	-	73.14	24.08	125.06
Depreciation for the year	31.67	0.55	101.63	32.61	166.46
Disposals	(23.89)	-	(1.42)	-	(25.31)
As at March 31, 2026	**35.62**	**0.55**	**173.35**	**56.69**	**266.21**
Net carrying amount					
As at April 01, 2024	56.85	0.47	190.62	123.23	371.17
As at March 31, 2025	32.61	0.47	202.38	96.46	331.92
As at March 31, 2026	19.38	4.15	184.87	63.85	272.25

Note: There is no Capital work in progress at the end of the reporting period

6. Intangible assets

Particulars	Computer Software
Deemed cost (refer note no - 4)	
As at April 1, 2024	20.64
Additions	-
Disposals	-
As at March 31, 2025	**20.64**
As at April 01, 2025	20.64
Additions	-
Disposals	-
As at March 31, 2026	**20.64**
Accumulated amortization	
As at April 1, 2024	-
Amortisation for the year	13.28
Disposals	-
As at March 31, 2025	**13.28**
As at April 01, 2025	13.28
Amortisation for the year	7.22
Disposals	-
As at March 31, 2026	**20.50**
Net carrying amount	
As at April 01, 2024	20.64
As at March 31, 2025	7.36
As at March 31, 2026	0.14

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Notes to the financial statements (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

7. Other financial assets, non - current

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Bank deposit more than 12 months from the reporting date	7.25	6.85	-
Total	7.25	6.85	-

8. Trade receivables

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Unsecured			
Trade receivables considered good	2,208.77	1,262.64	1,718.23
	2,208.77	1,262.64	1,718.23
Less: Allowances on trade receivables - credit impaired	-	-	-
Total	2,208.77	1,262.64	1,718.23

As at March 31, 2026 — Outstandings for following periods from due date of payment

Particulars	Less than 6 months *	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,208.77	-	-	-	-	2,208.77
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
	2,208.77	-	-	-	-	2,208.77

* includes the amount which is not due

As at March 31, 2025 — Outstandings for following periods from due date of payment

Particulars	Less than 6 months *	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,262.64	-	-	-	-	1,262.64
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
	1,262.64	-	-	-	-	1,262.64

* includes the amount which is not due

As at April 01, 2024 — Outstandings for following periods from due date of payment

Particulars	Less than 6 months *	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,718.23	-	-	-	-	1,718.23
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
	1,718.23	-	-	-	-	1,718.23

* includes the amount which is not due

The activity in the allowance for expected credit loss is presented below:

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balance at the beginning of the period	-	-	-
Additions/ (reversals) during the year, net	-	83.55	-
Written off during the year	-	(83.55)	-
Balance at the end of the year	-	-	-

The Company's exposure to credit and currency risks, and loss allowance related to trade receivables is disclosed in note 30.

9. Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Balances with banks			
- Current accounts	277.80	1,193.67	168.29
Total	277.80	1,193.67	168.29
Bank balances other than cash and cash equivalents			
Bank deposit with original maturity more than 3 months but less than or equal to 12 months from the reporting date	-	586.02	2,868.97
	-	586.02	2,868.97
Total	277.80	1,779.69	3,037.26

10. Other financial assets, current (unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Advances to employees	-	-	10.18
Security deposits	333.03	333.03	332.57
Receivables from group companies (refer note 28)	726.52	1,631.45	-
Total	1,059.55	1,964.48	342.75

11. Other current assets (unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Advances to suppliers	5.93	92.24	15.33
Prepaid expenses	69.28	46.63	37.67
Gratuity - defined benefit plan assets (refer note 29)	-	108.19	82.20
Others	-	2.94	2.01
Total	75.21	250.00	137.21

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12. Equity share capital

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Authorised:			
50,000 (March 31, 2025:50,000 and April 01, 2024:50,000) equity shares of ₹ 10 each	5.00	5.00	5.00
Issued, subscribed and paid up capital:			
10,000 (March 31, 2025 : 10,000 and April 01, 2024 : 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00	1.00
Total	**1.00**	**1.00**	**1.00**

a. Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025		As at April 01, 2024	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares						
At the beginning of the year	10,000	1.00	10,000	1.00	10,000	1.00
Less: Issued during the year	-	-	-	-	-	-
At the end of the year	**10,000**	**1.00**	**10,000**	**1.00**	**10,000**	**1.00**

b. Details of shareholders holding more than 5% shares in the Company:

Name of the share holder	As at March 31, 2026		As at March 31, 2025		As at April 1, 2024	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of Rs. 10 each, fully paid-up held by:						
Borqs International Holding Corporation (cayman islands)	9,999	99.99%	9,999	99.99%	9,999	99.99%
Sasken Design Solutions Pte. Ltd (Singapore)	1	0.01%	1	0.01%	1	0.01%

c. Shares held by promoters

Name of the promoter	As at March 31, 2026		As at March 31, 2026		As at April 01, 2024	
	No of Shares	% of holding	No of Shares	% of holding	No of Shares	% of holding
Borqs International Holding Corporation	9,999	99.99%	9,999	99.99%	9,999	99.99%
Others	1	0.01%	1	0.01%	1	0.01%

d. Buy-back of equity shares

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Aggregate number of equity shares bought back by the Company during the period of five years immediately preceding the Balance Sheet date.	-	-	-

e. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The holders of equity shares are entitled to receive dividend as declared from time to time. The dividend if any proposed by the Board of Directors is subject to shareholders' approval at the ensuing Annual General Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

f. There are no bonus shares issued during the period of five years immediately preceding the Balance Sheet date.

g. Restricted Stock Units (RSUs) & Employee Stock Ownership Plan (ESOP):

The Sasken Employees' Share Based Incentive Plan 2016 (Plan) was duly approved and instituted in December, 2016 by Sasken Technologies Limited (STL), ultimate parent of the Company. The Plan authorizes the Board of Directors of the STL to offer share based incentive to eligible employees of the Company. The maximum number of shares to be granted under the Plan will be in accordance with SEBI(Employee Share Based Payments and Sweat Equity) Regulations 2021 and other applicable regulations.

During the year ended March 31, 2026, 20,000 Esop's and 6,739 RSU's were newly granted to the employees of the company. Esop's will be vested based on service condition and RSU's are based on performance conditions.The total compensation cost of ₹ 53.22 lakhs charged to the profit or loss for the year ended March 31, 2026 (March 31, 2025: nil).

RSUs based on performance based conditions	As at March 31, 2026	As at March 31, 2025
Outstanding at the beginning of the year	-	-
Number of options granted	6,739	-
Forfeited and expired	-	-
Options exercised	-	-
Total number of options to be allotted on exercise of equity	6,739	-
Outstanding at the end of the year	6,739	-
Exercisable at the end of the year	-	-
Exercise price	₹ 10	-
Options vested during the year	-	-

The fair value has been calculated using the Black Sholes Option Pricing Model. The Assumptions used in the model on a weighted average basis at the time of grant are as follows :

	As at March 31, 2026	As at March 31, 2025
1. Risk free rate	7.06%	-
2. Weighted average contractual life in years	3.5	-
3. Expected volatility	44.47%	-
4. Expected dividend yield	1.65%	-
5. Weighted average price of the underlying share in the market at the time of option grant	₹1074.06	-
6. Date of grant	Aug 13, 2025	-
7. Weighted average exercise price	₹ 10	-

ESOPs based on Service conditions	As at March 31, 2026	As at March 31, 2025
Outstanding at the beginning of the year	-	-
Number of options granted	20,000	-
Forfeited and expired	-	-
Options exercised	-	-
Total number of options to be allotted on exercise of equity	20,000	-
Outstanding at the end of the year	20,000	-
Exercisable at the end of the year	-	-
Exercise price	₹ 1484	-
Options vested during the year	-	-

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(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The fair value has been calculated using the Black Sholes Option Pricing Model. The assumptions used in the model on a weighted average basis at the time of grant are as follows :

	As at March 31, 2026	As at March 31, 2025
1. Risk free rate	6.08%	-
2. Weighted average contractual life in years	4.5	-
3. Expected volatility	43.56%	-
4. Expected dividend yield	1.70%	-
5. Weighted average price of the underlying share in the market at the time of option grant	₹ 1474.06	-
6. Date of grant	Aug 13, 2025	-
7. Weighted average exercise price	₹ 1484	-

13. Other financial liabilities, non current

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Employee related payables	-	652.58	-
Total	**-**	**652.58**	**-**

14. Provisions, non-current

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Provisions for employee benefits			
Gratuity (refer note 29)	232.47	-	-
Total	**232.47**	**-**	**-**

15. Trade payables

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Total outstanding dues to micro and small enterprises (Refer note 32)*	13.03	-	-
Total outstanding dues to creditors other than micro and small enterprises	870.33	22.73	73.81
Total	**883.36**	**22.73**	**73.81**

As at March 31, 2026

	Outstandings for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a. Total outstanding dues to micro and small enterprises (Refer note 32)	13.03	-	-	-	13.03
b. Total outstanding dues to creditors other than micro and small enterprises	870.33	-	-	-	870.33
c. Disputed dues to micro and small enterprises	-	-	-	-	-
d. Disputed dues to other than micro and small enterprises	-	-	-	-	-
	883.36	-	-	-	883.36

As at March 31, 2025

	Outstandings for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a. Total outstanding dues to micro and small enterprises (Refer note 32)	-	-	-	-	-
b. Total outstanding dues to creditors other than micro and small enterprises	22.73	-	-	-	22.73
c. Disputed dues to micro and small enterprises	-	-	-	-	-
d. Disputed dues to other than micro and small enterprises	-	-	-	-	-
	22.73	-	-	-	22.73

As at April 01, 2024

	Outstandings for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a. Total outstanding dues to micro and small enterprises (Refer note 32)	-	-	-	-	-
b. Total outstanding dues to creditors other than micro and small enterprises	73.81	-	-	-	73.81
c. Disputed dues to micro and small enterprises	-	-	-	-	-
d. Disputed dues to other than micro and small enterprises	-	-	-	-	-
	73.81	-	-	-	73.81

* The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company.

16. Other financial liabilities

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Employee related payables	726.52	1,192.62	184.29
Total	**726.52**	**1,192.62**	**184.29**

17. Other current liabilities

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Statutory liabilities	239.60	1,308.96	203.50
Total	**239.60**	**1,308.96**	**203.50**

18. Provisions, current

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Provision for employee benefits			
Compensated absences	346.47	171.72	137.61
Total	**346.47**	**171.72**	**137.61**

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(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

19. Revenue from operations

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Sale of software services (Refer note 27)	12,538.07	10,097.42
Total	**12,538.07**	**10,097.42**

20. Other income

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Net gain on sale of current investments	1.48	-
Interest income from:		
- bank deposits	3.34	214.86
- income-tax refund	44.31	-
Foreign exchange (loss)/ gain , net	29.75	-
Miscellaneous income	0.50	0.07
Total	**79.38**	**214.93**

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21. Employee benefits expense	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Salaries and bonus	8,833.58	10,897.18
Contribution to provident and other funds	321.58	293.87
Staff welfare expenses	278.18	251.75
Relocation expenses	65.00	9.19
Employee stock option compensation cost (refer note 12(g))	53.22	-
Total	**9,551.56**	**11,451.99**

22. Finance cost		
Interest on loan from group company (refer note 28(b))	9.87	-
Total	9.87	-

23. Other expenses		
Rent (refer note 35(c))	618.40	590.36
Repairs and maintenance:	-	
- Plant and machinery	24.48	27.59
- Building	73.95	82.50
- Others	62.32	38.66
Communication expenses	39.49	30.57
Travel expenses	51.78	55.42
Electricity and water charges	82.06	91.57
Professional, legal and consultancy charges (refer note 28(b))	1,206.73	823.43
Insurance	7.33	7.42
Software subscription charges	21.16	-
Selling expenses	0.52	2.41
Bad debts (net of recovery)	-	83.55
Loss on sale of property, plant and equipment	-	4.12
Auditor's remuneration:		
- Audit fees	8.50	4.00
- Reimbursement of expenses	0.69	
Rates and taxes	5.60	9.58
Contribution towards corporate social responsibility (refer note 26)	-	12.33
Membership and subscription	1.09	-
Printing and stationery	0.33	4.78
Foreign exchange loss, net	-	77.47
Miscellaneous expenses	4.66	8.60
Total	**2,209.09**	**1,954.36**

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

24. Income taxes

A. Amounts recognised in the Statement of Profit and Loss and Other Comprehensive Income:

	As at March 31, 2026	As at March 31, 2025
Income tax expense:		
Current tax	109.38	34.26
Deferred tax	(103.15)	11.69
Total of Statement of Profit and Loss	6.23	45.95

B. Reconciliation of effective tax rate:

The reconciliation between the provision for income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before income tax	288.93	(3,234.44)
Enacted income tax rate in India	25.168%	25.168%
Computed expected tax expense	72.72	(814.04)
Effect of:		
Non-deductible expenses	3.02	-
Additional provision/ reversal of provisions recorded during previous years (net)	(56.95)	34.25
Tax loss	(29.67)	825.74
Other items	17.11	-
Income tax expense, as above	6.23	45.95

C. Recognised deferred tax assets and liabilities

The components of deferred tax assets and liabilities are as follows:

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Deferred tax assets			
Property, plant and equipment (including intangible assets)	57.26	41.31	53.00
Provisions for employee benefits	87.20	-	-
Total deferred tax assets	144.46	41.31	53.00

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(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

24. Income taxes (continued)

D. Movement in temporary differences

Net deferred tax asset at the beginning (a)	Balance as at April 01, 2025	Balance as at April 01, 2024	Balance as at April 01, 2023
Net deferred tax asset	41.31	53.00	7.92
Credit/ (Charge) in the statement of profit and loss during the year (b)	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Property, plant and equipment (including intangible assets)	15.95	(11.69)	45.08
Provision-employee benefits	87.20	-	
	103.15	(11.69)	45.08
Net deferred income tax asset at the end of the year (d) = (a) + (b)	144.46	41.31	53.00

E. Income tax assets and current tax liabilities

	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
Income tax assets	1,250.11	832.59	1,354.66
less: Income tax liabilities	-	-	-
	1,250.11	832.59	1,354.66

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The Company has provided for income taxes at the rates provided in Section 115BAA of the Income Tax Act 1961 for the year ended March 31, 2026.

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25. Earnings per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company and the weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares.

i. Profit attributable to equity holders of the Company	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax for the year	282.70	(3,280.39)
Profit attributable to equity holders of the Company for Basic and Diluted EPS	282.70	(3,280.39)
ii. Weighted average number of equity shares		
Issued ordinary shares at the beginning	10,000	10,000
Shares allotted during the year	-	-
Weighted average number of shares at the end of the year for Basic and Diluted EPS	10,000	10,000
Basic & Diluted EPS (i/ii)	2,826.98	(32,803.90)

26. Corporate social responsibility

Pursuant to Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount required to be spent by the Company during the year:	-	12.33
Amount spent during the year on:	-	
(i) Construction/ acquisition of any asset	-	
(ii) On purpose other than construction/ acquisition of any asset	-	6.14
(iii) Amount utilised from excess contribution of previous year	-	6.19
Total	-	12.33
Excess available for set off for future year	-	-
Shortfall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities: Contibution to Trust/ NGO		

27. Segments and disaggregated revenue information

(a) Segmental information:

The Company operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Segment". Accordingly, segment information has not been separately disclosed.

(b) Revenue by contract type:	For the year ended March 31, 2026	For the year ended March 31, 2025
Time and material contracts	7,370.76	10,097.42
Fixed priced contracts	5,167.31	-
Total	12,538.07	10,097.42

(c)Revenue by geography:

The Company has four geographic segments. Revenues from the geographic segments based on domicile of the customer are as follows:

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	9,727.36	10,097.42
North America (including Canada)	1,039.43	-
Europe (including Middle East)	172.09	-
APAC	1,599.19	-
Total	12,538.07	10,097.42

Two of the customer Company individually accounted for more than 10% of the revenues for the year ended March 31, 2026 (March 31, 2025: Nil)

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material.

The aggregate value of performance obligations that are completely or partially unsatisfied out of the purchase orders received, other than those meeting the exclusion criteria mentioned above, is ₹ 93.18 lakhs as at March 31, 2026 (Nil as at March 31, 2025). Out of this, the Company expects to recognize majority of the revenues in next financial year

Changes in Contract assets are as follows:	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	-
Revenue recognized during the year	5,167.31	-
Invoices raised during the year	(5,027.21)	-
Balance at the end of the year	140.10	-

Changes in deferred revenue are as follows:		
Balance at the beginning of the year	-	-
Revenue recognized that was included in the deferred revenue at the beginning of the year	-	-
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	93.18	-
Balance at the end of the year	93.18	-

Reconciliation of revenue recognized with the contracted price is as follows:	For the year ended March 31, 2026	For the year ended March 31, 2025
Contracted price	12,538.07	10,097.42
Revenue recognized	12,538.07	10,097.42

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28. Related party relationships and transactions

a) Following is the list of related parties of the Company:

Particulars	Country	Nature of relationship
Sasken Technologies Limited (w.e.f 08 April 2025)	India	Ultimate holding company
Sasken Design Solutions Pte. Ltd (w.e.f 08 April 2025)	Singapore	Intermediate holding company
Borgs Technologies Inc (upto 07 April 2025)	USA	Ultimate holding company
Borqs Hong Kong Limited (upto 07 April 2025)	Hong Kong	Fellow subsidiary
Borqs International Holding Corp	Cayman Islands	Holding company
New Borqs Technologies (Bejing) Company Limited	China	Fellow subsidiary
Borqs Technologies (HK) Limited	Hong Kong	Fellow subsidiary

Key management personnel ('KMP')	
Rajiv C. Mody (w.e.f. 09 April 2025)	Chairman & Director
Hareesh Ramanna	Director
Priyaranjan (w.e.f. 29 August 2025)	Director
Raghavan Seshadri (upto 09 April 2025)	Director

b) Related party compensation

	As at March 31, 2026	As at March 31, 2025
Short term employee benefits- KMP's	290.34	35.61
	290.34	35.61

Post-employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

c) Related party transactions other than those with key managerial personnel:

	As at March 31, 2026	As at March 31, 2025
(i) Software development services rendered to		
- Borqs Technologies (HK) Limited (Hong Kong)	1,345.42	-
- New Borqs Technologies (Beijing) Company, Ltd. (China)	-	-
- Sasken Technologies Limited	175.04	-
- Borqs Hong Kong Limited	-	923.45
(ii) Consultancy Services/Goods procured from		
- Borqs Technologies (HK) Limited (Hong Kong)	108.11	-
- New Borqs Technologies (Beijing) Company, Ltd. (China)	19.69	-
- Sasken Technologies Limited	806.53	-
- Borqs Hong Kong Limited	-	199.33
(iii) Reimbursement of expenses to		
- Sasken Technologies Limited	53.22	-
- Borqs Technology Inc	-	1,631.46
(iv) Loans availed		
- Sasken Technologies Limited	700.00	-
(v) Loans repaid		
- Sasken Technologies Limited	700.00	-
(vi) Interest incurred		
- Sasken Technologies Limited	9.87	-

Balances as at	As at March 31, 2026	As at March 31, 2025
(iv) Trade receivable, unbilled revenue, contract assets and other receivables		
- Borqs Technologies (HK) Limited (Hong Kong)	328.62	-
- Sasken Design Solutions Pte. Ltd ('Sasken Singapore')	726.52	-
- Borqs Technology INC	-	1,631.45
(v) Trade and other payables		
- Sasken Technologies Limited	686.45	-
- Borqs Technologies (HK) Limited (Hong Kong)	108.11	-
- New Borqs Technologies (Beijing) Company, Ltd. (China)	19.69	-

29. Employee benefits

Defined contribution plan:

Provident Fund
The Company makes contributions to the Government administered fund, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. To the extent of such contributions, company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contributions for the year ended March 31, 2026 ₹ 321.58 lakhs respectively. (For the year ended March 31, 2025 ₹ 293.87 lakhs).

Defined benefit plan :

a. Gratuity

The Company operates a post employment benefit plan that provides for gratuity benefit to the employees of the Company. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.The Company provides for these pension benefits, a defined benefit plan, covering all eligible employees.

	As at March 31, 2026	As at March 31, 2025
Defined benefit asset (a)	906.07	876.50
Defined benefit liability (b)	1,138.55	768.31
Net employee benefit (assets) / liabilities (c = b - a)	232.48	(108.19)
Current	-	(108.19)
Non-current	232.48	-

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

(i) Reconciliation of the net defined benefit liability:

The following tables shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ (asset) and its components:

Reconciliation of present value of defined benefit obligation:

Balance at the beginning of the year	768.31	649.61
Benefits paid	(34.99)	(35.86)
Current service cost	89.62	80.98
Past service cost	265.94	
Interest cost	59.26	45.61
Actuarial (gains)/ losses recognized in Other Comprehensive Income		
- liability was assumed as part of a business purchase.		
- changes in demographic assumptions	(6.43)	
- changes in financial assumptions	(27.78)	19.36
- experience adjustments	24.62	8.61
Balance at the end of the year (a)	**1,138.55**	**768.31**

(ii) Reconciliation of the present value of plan assets:

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	876.50	731.81
Contributions paid into the plan	-	123.67
Benefits paid	(34.99)	(35.86)
Interest income	60.74	56.01
Return on plan assets recognized in Other Comprehensive Income	3.82	0.87
Balance at the end of the year (b)	**906.07**	**876.50**
Net defined benefit liability/ (asset) (c=a-b)	**232.48**	**(108.19)**

The Company has invested its 100% plan assets in Insurance Company for the year ended March 31, 2026 and year ended March 31, 2025.

(iii) The amount for the year ended March 31, 2026 and year ended March 31, 2025 recognized in the Statement of Profit and Loss under employee benefit expense are as follows

Service Cost	355.56	80.98
Net Interest cost	(1.49)	(10.40)
Net Gratuity Cost	354.07	70.58

(iv) The amounts for the year ended March 31, 2026 and year ended March 31, 2025 recognized in the Statement of Other Comprehensive Income are as follows:

Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains)/ losses	(9.59)	27.98
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (asset)	(3.82)	(0.87)
Net Gratuity gain/ (loss)	**(13.41)**	**27.11**

(v) Defined benefit obligations - Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.26%	6.93%
Expected return on plan assets	7.26%	6.93%
Salary escalation rate	7.00%	7.00%
Attrition rate	10.00%	10.00%

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary escalations considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.

(vi) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at March 31, 2026	As at March 31, 2025
Discount rate (1% movement)	(26.92)	(58.12)
Discount rate (-1% movement)	30.06	66.81
Future salary growth (1% movement)	77.03	29.88
Future salary growth (-1% movement)	(88.23)	(31.66)
Attrition rate (1% movement)	30.04	3.60
Attrition rate (-1% movement)	(30.40)	(4.24)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:		
Expected contribution to the fund for next 12 months	127.30	-

Expected contribution to the fund for the next 12 months		
Estimated benefit payments from the fund during:		
Year 1	201.02	67.87
Year 2	104.92	64.40
Year 3	87.19	40.93
Year 4	82.25	43.75
Year 5	112.64	25.71
Year 6 to 10	448.31	-
Thereafter	1,190.79	-

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30. Financial instruments - fair values

A. Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

A. Accounting classification and fair values

As at March 31, 2026:

	Carrying amount	
Financial assets not measured at fair value	**Amortized cost**	**Total**
Other financial assets (non-current)		
Bank deposit more than 12 months from the reporting date	7.25	7.25
Trade receivables	2,208.77	2,208.77
Cash and cash equivalents	277.80	277.80
Bank balances other than cash and cash equivalents	-	-
Unbilled revenue	510.30	510.30
Other financial assets (current)		
Advances to employees	-	-
Security deposits	333.03	333.03
Receivables from group company (refer note 28(c))	726.52	726.52
Total	**4,063.67**	**4,063.67**

	Carrying amount	
Financial liabilities not measured at fair value	**Amortized cost**	**Total**
Other financial liabilities (non-current)		
Trade payables	883.36	883.36
Other financial liabilities (current)		
Employee related payments	726.52	726.52
Total	**1,609.88**	**1,609.88**

The carrying amount of cash and bank balances, trade receivables, security deposits, advances to employees, trade payables, employee related payables are considered to be the same as their fair values, since they are short-term in nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

As at March 31, 2025:

	Carrying amount	
Financial assets not measured at fair value	**Amortized cost**	**Total**
Other financial assets (non-current)		
Security deposits	-	-
Bank deposit more than 12 months from the reporting date	6.85	6.85
Advances to employees	-	-
Trade receivables	1,262.64	1,262.64
Cash and cash equivalents	1,193.67	1,193.67
Bank balances other than cash and cash equivalents	586.02	586.02
Other financial assets (current)		
Advances to employees	-	-
Security deposits	333.03	333.03
Receivables from group company (refer note 28(c))	1,631.45	1,631.45
Total	**5,013.66**	**5,013.66**

	Carrying amount	
Financial liabilities not measured at fair value	**Amortized cost**	**Total**
Other financial liabilities (non current)		
Employee related payments	652.58	652.58
Trade payables	22.73	22.73
Other financial liabilities (current)		
Employee related payments	1,192.62	1,192.62
Total	**1,867.93**	**1,867.93**

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

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

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk for the Company pertains to investing activities. The Company's exposure to credit risk is influenced mainly by the individual characteristic of customers and counterparties to derivative instruments such as banks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.
The carrying amount of the following financial assets represents the maximum credit exposure.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, unbilled revenue and contract assets amounting to ₹ 2,859.17 lakhs and ₹ 1,262.64 lakhs as of March 31, 2026 and March 31, 2025, respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.

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The carrying amount of the following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company establishes an allowance for impairment that best represents its estimate of expected losses in respect of trade receivables. The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

Cash and bank balances

The Company held cash and bank balances of ₹ 277.80 lakhs at March 31, 2026 (March 31, 2025: ₹ 1779.69 lakhs).

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
As at March 31, 2026:	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years	>7 years
Non-derivative financial liabilities						
Other financial liabilities (non-current)	-	-	-	-	-	-
Trade payables	883.36	883.36	-	-	-	-
Other financial liabilities (current)						
Employee related payables	726.52	726.52	-	-	-	-
	1,609.88	1,609.88	-	-	-	-

		Contractual cash flows				
As at March 31, 2025:	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years	>7 years
Non-derivative financial liabilities						
Other financial liabilities (non current)						
Employee related payments	652.58	652.58	-	-	-	-
Trade payables	22.73	22.73	-	-	-	-
Other financial liabilities (current)						
Employee related payments	1,192.62	1,192.62	-	-	-	-
Capital Creditors						
	1,867.93	1,867.93	-	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to the market value of its investments. Thus, the exposure to market risk is primarily related to investing activities. The objective of market risk management is to diversify our portfolio according to nature of investments to mitigate risks.

v. Currency risk

The Company is exposed to currency risk on account of export of services in foreign currency. The functional currency of the Company is Indian Rupee. The summary quantitative data about the Company's exposure to currency risk from non-derivative financial instrument is as follows:

As at March 31, 2026

	Amount in foreign currency in lakhs			Amount in rupees ₹ lakhs		
Currency	Current Assets	Current Liabilities	Net receivable/	Current Assets	Current Liabilities	Net receivable/
US Dollar (USD)	4.28	-	4.28	404.23	-	404.23

As at March 31, 2025

	Amount in foreign currency in lakhs			Amount in rupees ₹ lakhs		
Currency	Current Assets	Current Liabilities	Net receivable/	Current Assets	Current Liabilities	Net receivable/
US Dollar (USD)	2.57	-	2.57	219.48	-	219.48

Sensitivity Analysis

A reasonably possible strengthening/ (weakening) of the INR, US Dollar as at March 31, 2026 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in a particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2026				
USD (1% movement)	4.04	(4.04)	3.03	(3.03)
As at March 31, 2025				
USD (1% movement)	2.20	(2.20)	1.64	(1.64)

The following significant exchange rates have been applied during the year	Spot rate as at	
	March 31, 2026	March 31, 2025
USD	94.50	85.43

C. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity, other than amounts accumulated in the hedging reserve.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at March 31, 2026 and March 31, 2025 was as follows.

	As at March 31, 2026	As at March 31, 2025
Total liabilities	2,521.60	3,348.61
Less: Cash and cash equivalents and other bank balances	277.80	1,779.69
Adjusted net debt	2,243.80	1,568.92
Total equity	3,424.34	3,128.2
Less: Cash flow hedging reserve	-	-
Adjusted equity	3,424.34	3,128.23
Adjusted net debt to adjusted equity ratio	0.66	0.50

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Notes to the financial statements
(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

31. Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income taxes* (matters pertaining to disputes on tax holiday benefits, transfer pricing, disallowance of certain expenses claimed by the Company)	312.33	312.33

*The Company is contesting the demands and based on expert advice, the management believes that its position will likely be upheld in the various appellate authorities / courts. The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company results of operations or financial condition.

32. Dues to micro, medium and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
(i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid	13.03	-
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(iv) Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(v) Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(vi) Interest due and payable on March 31, 2026 towards suppliers registered under the MSMED Act, for the payments already made	-	-
(vii) Further interest remaining due and payable for earlier year	-	-

33. Financial Ratios

Sl.No	Ratio	Methodology	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance (%)
a	Current Ratio	Current Assets / Current Liabilities	1.87	1.95	-4.30%
b	Debt Equity Ratio*	Debt / (Equity + Reserves)	-	-	0.00%
c	Debt Service coverage ratio*	EBDITA / (Interest + Principal)	-	-	0.00%
d	Return on Equity Ratio %	(PAT / Average Net Worth)(%)	8.63%	-68.60%	-112.58%
e	Inventory turn over ratio**	(Net sales/Average inventory)	-	-	0.00%
f	Trade receivable to turnover ratio	Revenue from operations / Average Trade Receivables	7.22	6.77	6.62%
g	Trade payable to turnover ratio	Adjusted Expenses / Average Trade Payables	4.88	40.49	-87.96%
h	Net Capital Turnover ratio	Revenue from operations / Average working capital	5.52	2.81	96.70%
i	Net Profit ratio %	PAT / Revenue from operation(%)	2.25%	-32.49%	-106.94%
j	Return on Capital Employed%	PBIT / Average Capital Employed(%)	9.12%	-67.64%	-113.48%
k	Return on Investment % ***	Interest income, dividend income, net gain on sale of investments and net fair value gain / Average Investments(%)	-	-	0.00%

* Debt free company and hence these ratios are not applicable.
**Inventory turn over ratio is not applicable, since the Company does not hold any inventories
*** No investment during the year and hence ratio is not applicable.

Notes
EBITDA - Earnings before interest, taxes, depreciation and amortisation.
PAT - Profit after taxes.
Adjusted expenses refers to other expenses net of non-cash expenses and donations.
PBIT - Profit before interest and taxes including other income.
Investments includes non-current investments, current investments

Explanation for variance exceeding 25%
Varainces are attibuted to significant changes in scale of operations in the current year on account of acquisition by Sasken Technologies Limited i.e., ultimate parent Company, which has contributed to increase in revenue, expenses and profits.

34. Impact of Labour Codes

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements of New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact of Rs. 384.32 lakhs as Exceptional item in the statement of profit and loss for the year ended March 31, 2026. Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, in subsequent periods.

35(a). The Company:

(a) does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(b) does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956,
(c) have complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
(d) does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
(e) have not traded or invested in crypto currency or virtual currency during the financial year.

35(b). The financial statements of the Company for the year ended March 31, 2025 were audited by the predecessor auditor, J. Srinivasan, who have expressed an unmodified opinion on those financial statements vide their audit report dated June 30,2025.

35(c). The Company has availed short-term leases of building premises and recognised lease expenses in the Statement of profit and loss amounting to ` 618.40 lakhs for the year ended 31 March 2026 (31 March 2025: ` 590.36 lakhs).

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36. Previous year figures have been regrouped / reclassified to confirm to the current year's classification.

As per our report of even date attached
For M S K A & Associates LLP
(formerly known as M S K A & Associates
Chartered Accountants
Firm's Registration Number: 105047W/W101187

Deepak Khatri

Deepak Khatri
Partner
Membership No: 130795

Place : Bengaluru
Date : May 05, 2026

MSKA & ASSOCIATES LLP ★ Bangalore ★ Chartered Accountants

For and on behalf of the Board of Directors of
Borqs Technologies India Private Limited

Rajiv C Mody
Director
DIN: 00092037

Hareesh Ramanna
Director
DIN: 02778643

Place : Bengaluru
Date : May 05, 2026

Borqs Technologies India Private Limited ★ BORQS