11th August, 2026

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Bandra Kurla Complex, Mumbai	P.J. Towers, Dalal Street, Mumbai
Kind Attn: Manager, Listing Department	Kind Attn: Manager, Listing Department
Stock Code – SONATSOFTW	Stock Code - 532221

Dear Sirs/Madam,

SUB: TRANSCRIPT OF ANALYSTS/INVESTORS CALL
REF: REGULATION 46(2)(OA) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Further to our disclosures dated 30th July, 2026 and 7th August, 2026, please find enclosed Transcript of Analyst/Investor call of the Company held on 7th August, 2026. The same is also made available on the website of the Company at https://www.sonata-software.com/about-us/investor-relations.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Sonata Software Limited

Mangal Krishnarao Kulkarni
Digitally signed by Mangal Krishnarao Kulkarni
Date: 2026.08.11 17:38:14 +05'30'

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

Encl.: As above

"Sonata Software Limited Analyst and Investor Conference Call for Q1 FY2027"

August 7, 2026

Management: Mr. Rajsekhar Datta Roy – Chief Executive Officer of International Services
Mr. Sujit Mohanty – Chief Executive Officer of Domestic Business
Mr. Jagannathan CN – Chief Financial Officer

Moderator: Hello everyone. My name is Inba, and I will be moderating today's session. Welcome to the Sonata Software Limited Analyst and Investor Conference Call for Q1 of FY2027 ended June 30, 2026. Please note all participant lines will be in the listen-only mode, and this call is being recorded. We have with us today on the call Mr. Rajsekhar Datta Roy, CEO of International Services; Mr. Sujit Mohanty, CEO of Domestic Business; and Mr. Jagannathan CN, Chief Financial Officer. We also have our extended leadership team on the call today. Please note that there will be an opportunity for all the participants to ask questions after the management's opening remarks. During the call, please note that the management may make certain forward-looking statements that involve risks, assumptions, and are based on information currently available to the management. Sonata does not undertake any obligation to update any such forward-looking statements that may be made in course of this call. We advise participants to exercise discretion while making any investment decisions. We will begin the opening remarks from Mr. Rajsekhar followed by the business overview and financial highlights. After that, we will open the floor for questions. With that, I hand over the call to Mr. Rajsekhar for his opening remarks. Over to you, Sir!

Rajsekhar Datta Roy: Good evening, afternoon to everyone, and thank you. Ladies and gentlemen, thank you for joining us today. We truly value your time and appreciate your continued trust and support in Sonata. In today's session, we will walk you through the overall strategy progress we have made in the last quarter. We will also present a detailed view of our financials for Q1 FY2027, which concluded on June 30, 2026. To begin with, I will walk you through what we have done during the last quarter and then focus on our strategy going forward. Over the last quarter, we have successfully completed the leadership transition and built a foundation for our next phase of growth. We have ensured seamless continuity across all key clients' relationships. We have strengthened the leadership engagement at our key accounts, maintained business momentum through focused execution.

Having said that, let me now cover how we are looking at doubling down on AI, which was what I had outlined earlier last quarter. Our strategy going forward is towards building an AI-native Sonata. It is becoming the operating tenet of our business, and we are accelerating our transformation to an AI-native engineering-led organization. Sonata is positioning itself as engineering the AI enterprise, which enables driving enterprise velocity across three key dimensions, which I will outline, with six value pools that we are addressing in nine macro verticals. The three dimensions are outcome-led business transformation, focused on delivering agentic process transformation and domain-driven customer-enabling operations. AI-first technology platforms focused on building AI-native technology platforms and modernization of legacy platforms. We also are looking at AI-native service delivery, which will drive accelerated outcome through AI-enabled service delivery. In our endeavor, we continue to strengthen our proprietary assets under Harmoni.ai, our responsible-first IP platform and one of the key things that we have done over the last one quarter is we have launched our enterprise-grade agentic AI service delivery platform, Workbench, designed to transform end-to-end software delivery lifecycle by bringing together contextual intelligence, AI agents, workflow orchestration, and enterprise-grade governance. It also helps enterprises accelerate their software engineering, improve developer productivity, and scale AI adoption while keeping security, governance, compliance, and token economics at the center. Multiple clients have shown interest in Workbench, and we continue to sharpen this further. To drive the execution of our AI strategy, we are pleased to announce the appointment of Mr. Hari Rebala as the Chief AI Officer at Sonata. He brings a unique combination of coming recently from a startup ecosystem and before that being as a part of enterprise services IT organization and his clear mandate is to accelerate Sonata's transformation into an AI-native organization.

We have also bolstered our leadership at our largest client with appointment of a strategic business leader with 30 years of experience with very similar to what he is handling going forward and he will be instrumental in driving strategic expansion for one of our largest clients. We have also on-boarded a seasoned leader for Southeast Asia and ANZ to continue our growth in that region and strengthen our alliances and partnership team by bringing in internal person, who has been at the helm of driving our relationship with partners, especially Microsoft. We continue to strengthen our 360-degree partner ecosystem, which includes collaboration with Microsoft. We have officially been invited by Microsoft to join Copilot agents and platform engineering Depth Partner Program, which is a very select group of people globally, to be taken as system integrators to work closely with Microsoft to scale their GTMs around Copilot and AI. We continue to collaborate with eminent educational institutes like Wharton and IISc to further understand technology trends and build fine-tune our offerings towards what is coming in future.

Finally, we have spoken of the 9 micro verticals, as you like, and we are trying to focus on each of these verticals. By concentrating on these microverticals, it gives us ability to invest and create a concentration of our investments, as well as creating greater outcomes for our client, and finally, greater market impact. To support our growth ambitions, we continue to invest significantly in talent transformation and building AI-native workforce through structured skilling, certification, and adoption of frontier AI platforms. A key differentiator is we are expanding our forward deployed engineer talent pool and transforming our people from that into about 100 people by August itself. Underpinning this strategy, Sonata University, which has enabled 93% of our workforce to be trained in AI. We have also launched our Sonata Modernization Engineering Program for 2026, which has AI at the center, and there is extensive work underway to transform all our folks to further offerings and align to our GTMs that we have. With AI strategy being in place, and you will see that getting rolled out, we believe that we are building a compelling value proposition for our clients and prospective clients in the areas of intersection of the horizontal and micro-vertical positioning. The progress and market response so far has been encouraging.

We now take you through the Q1 business highlights. Our AI-led pipeline has improved 21% while our AI-led order wins have increased 27% quarter-on-quarter reinforcing our conviction around the strategy. We want to highlight three key deals one is a manufacturer of computer peripherals and software, where we are helping them in AI-driven model engineering in the digital assurance and DevOps space. Second is a quick-service restaurant. We are helping them in legacy modernization of their applications. Third is an oil and lubricant manufacturing major where we are helping them transform their AI-driven payment reconciliation system. We now have multiple AI-led client success stories through our customer operation, enterprise workflows, regulated industries, and technology modernization. The common thread across this engagement is that Sonata is helping clients move from AI experimentation to AI at scale, delivering measurable improvements in productivity, velocity, quality, and business outcomes. Today, 21% of our engagements are output based.

Key wins. We have won a key deal with a global beverage brand with over 800 locations across 11 countries, and we are working with them on modernizing their retail application and cloud infrastructure this is a multi-year deal. We are also scaling a large deal from a global financial technology organization and payment solution organization and awarded to Sonata a multi-year contract to modernize their core digital wallet platforms to enable faster and secure payments this is a multi-year large deal, we encountered some headwinds and delays in ramp-up and have now completed it. Our teams to help in customer in accelerated time to market in digital wallet platform. We continue to execute with operational discipline. Base utilization continues to operate at 88.5% as we encountered a delay in a large deal ramp-up and AI capability incubation, which caused a slight reduction in the utilization. This has caused a temporary drop in utilization this quarter. Revenue grow at 0.01% quarter-on-quarter reflecting resilience and mixed market conditions. Order bookings stood at 1.18x book-to-bill ratio, and we secured one key deal in Q1 FY2027. The number of clients with greater than 10 million run rate is eight. EBITDA stood at 15.4% for the international business. I will now request Sujit to give a commentary for the domestic business.

Sujit Mohanty: Hello, everyone. Domestic product business continued to demonstrate resilience and relevance in a dynamic market environment. We continue to make a good progress in financial performance. As you all aware that last year we had faced headwinds due to one of our large OEM partners changing the business model and starting direct billing with some selected large customers. During last few quarters, we have worked on our strategies, plan, and related GTMs to operate within this changed business environment. We believe that through our quick and focused execution of modified plans, we have successfully managed the negative impacts, and now we are on a growth path and moving forward. Through our continuous engagement with our OEM partner and customers, we are pleased to announce that in the recent past we have been able to retain some of our customers' contract renewals, which were done through us now, who were in the probable list for possible direct billing by the OEMs. Some of these anticipated risks which were there are now behind us. We are making steady progress across strategic growth pillars. One of the pillars is grow core platform and product business. Within that pillar we have broadened our partnerships with all hyperscaler OEM partners. We are executing multiple GTMs with each of these hyperscalers. We are also expanding our business related to tools and platform offerings of OEM partners, other than the hyperscalers with whom we continue to do business. We are also focusing more on expanding our managed services and win more and more large hybrid system integration deals that integrate physical server storage and other ISV infrastructures, including IT security with leading cloud platforms and managing the hybrid infrastructure of our customers as a part of this program. We are also expanding to new segments. We are expanding our market coverage and software focus on SMC and corporate segment. We have grown this business around 82% year-on-year. These strategic bets continue to be at the center of our focus in building a more resilient future-ready business. We continue to focus on strengthening the quality of our revenue mix, depending strategic customer relationship, building scalable cloud-led managed services, and managed IT security capabilities. We are extending and deepening our OEM partnership in the areas of AI tools and platforms to work with our customers in India in their AI initiative, spanning across infrastructure readiness, tool deployment, and use case PoC development, which will accelerate their path from AI experimentation to scaled adoption.

Now, coming to the financials. Revenue for Q1 FY2027 stood at Rs.2505.6 Crores. Gross contribution was at Rs.78.5 Crores, which is a growth of 4.2% quarter-on-quarter. PAT for Q1 FY2027 stood at Rs.45.9 Crores. We are confident that the financial performance will further continue to improve in Q2 and during rest of the financial year. Overall, we remain confident in the direction of the domestic business. Our focus is not only on growth but on building a diversified, scalable and future-ready business with sustainable value creation for customers, employees, partners, and shareholders. With this, I am handing over to Jagan for the financial updates. Thank you.

Jagannathan CN: Thank you, Sujit. Good morning, good afternoon, good evening, everyone. I will provide key updates on Q1 2027 business and financial performance. Starting with international business. During the quarter, we benefited from few growth drivers. We added seven customers in Q1 2027 this is same for the last two quarters we have been very consistent in adding the customers. Top 10 clients contributed revenue share of 51% in Q1 2027. This has majorly changed because of the growth of 11 to 20 customers bill in this quarter. Number of clients more than $ 5 million run rate stood up at 12 in Q1 2027, same in Q4. Number of clients greater than $3 million up to 5 million revenue stood at nine in Q1 2027, same in Q4. Q1 2027 order book stood at $ 97.4 million with a book-to-bill ratio of 1.18x. It is better than 1.16x, which was there in Q4 2026. We clocked AI order book of USD 21.4 million in Q1 2027 this was $16.9 million in Q4 2026. Now the AI order book contributes 18.2% of our overall order book. AI-led pipeline is $340 million in Q1 2027. Total headcount stood at 6293 in Q1 2027 against 6283 in Q4 2026 , with an attrition of 13% for this quarter. On-site offshore mix is 30% to 70% in Q1 2027 against 32% to 68% last quarter. Utilization reported at 88.5% in Q1 27 versus 91.8% in Q4 2026. We will be covering other details of this later in my update.

Let me walk you through the financial performance for the quarter ending June 30, 2026. First, starting with international services. The USD reported revenues stood at $82 million represent 0.1% quarter-on-quarter constant currency growth and 2.1% year-on-year constant currency growth. In the reported currency, this represents 0.5% quarter-on-quarter degrowth and a growth of 0.2% year-on-year. Rupee revenue stood at Rs.777.2 crores, a degrowth of 0.3% quarter-on-quarter and a growth of 11% year-on-year, which is a good performance in the industry compared to others. EBITDA before other income on forex for Q1 2027 stood at 15.4%, a degrowth of 4.8% quarter-on-quarter from 20.2% in Q4 2026. The EBITDA dilution is primarily driven by the below factors. There was a one-time benefit of compensation expenses in previous quarter impacting around 2% of the EBITDA drop. Our utilization includes impact of unexpected delay in large deal ramp-up. Utilization dropped to 88.5% from 91.8% primarily due to this. The ramp-up will get completed in Q2 of 2027. Additionally, in line with our positioning of the engineering, the AI enterprises, we have made significant investment in talent transformation and advisory investments related to AI strategy. Forex fluctuation, specifically cross currency, was detrimental in this quarter, impacting almost about 50 basis points. Marginal increase in CSP bundled deal cost also impacted the above decrease and partially offset by our favorable offshore revenue mix improvement to 70% from 68% in Q4 2026. From this quarter, we expect EBITDA to have a positive traction every quarter in this year further. We expect some of the one-timers also to get normalized in the coming quarters. Q1 2027 PAT stood at Rs.62.2 crores this includes a forex loss of Rs.6.8 Crores as against Rs.84.2 Crores in Q4 2026, which included a forex gain of Rs.21.7 Crores. Forex fluctuation alone has impacted almost Rs.28 Crores on our PAT. Our PAT impact for this current quarter has absorbed and still grown in spite of the forex loss for this quarter. In Q1, PAT degrowth is due to forex impact, which I explained above. The reported ROCE and RONW for the quarter stood at 14.9% and 15.2% respectively. International services DSO in Q1 2027 reported at 60 days as against 64 days in Q4 2026.

Now let me provide an update on domestic business. Revenue for Q1 2027 stood at R.2505.6 Crores, a growth of 42.4% quarter-on-quarter and 10.2% year-on-year. Gross contribution for Q1 2027 stood at Rs.78.5 Crores, a growth of 4.2% quarter-on-quarter and 14.5% year-on-year. PAT for Q1 2027 stood at Rs.45.9 Crores includes forex loss of Rs.0.6 Crores as against Rs.46.3 Crores in Q4 2026, which includes a Forex gain of around Rs.6.3 Crores. Degrowth of 0.9% quarter-on-quarter and growth of 19% year-on-year is what is reflected here. Q1 GC growth is offset by forex impact of Rs.6.9 Crores, between gain in Q4 and a loss in Q1. DSO of Q1 2027 stood at 65 days compared to 47 days of Q4 2026. This is majorly a seasonal impact for us. Reported ROCE and RONW for the quarter stood at 57.7% and 42.7% respectively.

Update on consolidated business. For the quarterly update, consolidated revenue for Q1 2027 stood at Rs.3279.1 Crores, a growth of 29.3% quarter-on-quarter and 10.6% year-on-year. PAT for Q1 2027 stood at Rs.108.61 Crores this includes a forex loss of Rs.7.4 Crores as against Rs.130.5 Crores in Q4 2026 this includes a forex gain of Rs.28 Crores, degrowth of 17.1% quarter-on-quarter and 1.1% year-on-year. Q1 PAT degrowth is primarily due to forex impact of Rs.35.4 Crores. Reported ROCE and RONW in this quarter stood at 21.9% and 20.9% respectively. EPS reported in Q1 2027 stood at 3.9 per share against Q4 2026 of 4.71 per share.

Update on cash flow. Cash generation remained very strong in this quarter with a closing cash balance of Rs.567 Crores and a net positive cash of Rs.67 Crores. This is the third quarter we are reporting positive cash balance. To conclude, we are confident about our new AI portfolio strategy of engineering the AI enterprises, pivoted along with the three dimensions and six value pools. Based on the pipeline movement and the especially improved AI-led pipeline, we remain optimistic and expect gradual improvement in revenue and EBITDA over the medium-to-long term. While the market environment remains mixed, our strengthening AI pipeline, growing AI order bookings, the partner ecosystem, focused vertical strategy, reinforce our confidence in Sonata's medium-term growth trajectory. With this, I conclude my update for this quarter. Thank you and handing over for the questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now move to the Q&A segment. To ensure we provide space for as many participants as possible, we request you to limit yourself to two questions per turn. For participants connected on Zoom, please use the raise hand icon located at the bottom toolbar on your screen. When called upon, you will receive a prompt to unmute. For our participants connected via telephone call, to join the queue, please press "*" "9" on your telephone keypad. When it is your turn you will be prompted to unmute by pressing "*" "6". Please state your name and Company name before asking a question. We will wait for a moment while the question queue assembles. We will take the first question from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Thanks for the opportunity. Two questions. First, just want to understand domestic business gross contribution profit return to double-digit growth trajectory, are we confident to sustain now double-digit growth trajectory on Y-o-Y basis in domestic business? Second question is on you indicated nine micro verticals and six value pools can you provide some detail which nine micro verticals we have identified and what value pool we have identified and overall growth thought process around it? Thank you.

Jagannathan CN: On the domestic business, yes, we are confident that we will continue our growth momentum, and we believe that some of the issues which we had we have been able to come out of it and we will be able to maintain the momentum. Thank you.

Rajsekhar Datta Roy: On the question of the six value pools, one is customer engagement and operations transformation using AI, agentic AI, legacy modernization, AI-ready data, resilient AI backbone and AI-native service delivery and ops. These are the six value pools that we are targeting. We are focusing deeply in building assets, partnerships, and go to market around this. The micro verticals, we have around nine of them, but largely to give you an example of a micro vertical it will be like payments, mortgage and lending, healthcare, clinical ops or logistics and retail manufacturing. There is a whole nine list which can be provided that is an example how we are doing this and at the intersection of these micro verticals and our horizontal offering, we intend to build a compelling solution for our clients.

Dipesh Mehta: Understand. In this, let us say 9 vertical which micro-vertical we identified, whether any of them are new and where we are making investment or all these are existing presence kind of thing and investment intensity will not be that high I just want to understand that part if you can give some sense which are new and which are existing?

Rajsekhar Datta Roy: In all of these, Sonata has traditional strengths and have been executing. We also have concentration of clients already, and we also see a market potential based on our assessment so far. So there is a track record, and it is part of, as you can remember, we were looking at BFS, healthcare, life sciences, R&D, TMT, so on and so forth. We are sharpening our focus so that we can concentrate our investments and go-to-market to areas which are more likely to grow compared to others and we also are able to get better value for our investment, but it is not completely new areas, it is within the areas that we have been working, but sharpening of our focus largely.

Dipesh Mehta: Understand. I will join queue. Thank you.

Moderator: Thank you. We take our next question from Ashis Dash of Systematix. Please go ahead. Mr. Dash, please go ahead.

Ashis Dash: Am I audible?

Moderator: Yes.

Ashis Dash: Thank you for the opportunity. My first question on your revenue from top 10 accounts declined during this quarter, 6% quarter-on-quarter. It has been remained weak last six quarters. My first question is this because of your top accounts still the productivity gain pass through continues? Second, relating to this, last quarter you mentioned that you are scaling off some engineering subsegments within the TMT vertical so that would support your growth from Q2 onwards, so provide some outlook on that front? Third, relating to that, during your strategy discussion you mentioned that you have strengthened your partnership with Microsoft and that also you have hired leadership in key accounts so will that help to drive your TMT portfolio?

Jagannathan CN: I will take the first one on the top 10, Ashiss. Top 10 is majorly because our 11 to 20 accounts have been growing well. The new customers we have added in the last quarter and the current quarter actually fall in this group and this is the reason why there is a tweak in the top 10 percentages wise. This is percentage wise if the subsequent 10 is growing well the percentage also gets impacted. No major issues, no discounts, no productivity gain passing of that, no major account which is coming down in this space in the top 10 account.

Ashis Dash: Sir, I can see the absolute number also declining on quarter-on-quarter.

Jagannathan CN: We have not disclosed that, Ashish. Probably we will consider how to disclose the top 10 because many people know our top five customers at least. From this, people can know about exact revenue of a customer that is a risk we carry in this. Hence, we are not disclosing the absolute number.

Ashis Dash: Okay, Sir.

Rajsekhar Datta Roy: There is no impact, not in this quarter. There were two other questions. I think one was on the engineering sub-segment. Yes, we are focusing on few hyperscalers, and we are going to focus more on enterprise products, package software organizations, these are two sub-segments that we are focusing in TMT for growth. Second is your question on leadership hiring that we have done will that be positive? Yes, we can see early signs of this driving positive traction in terms of pipeline, etc., and activities that we see in the account. Third is about MS partnership. I think we continue to as you can say that we have been part of the Copilot Depth program, we continue to be a critical part of the Microsoft ecosystem.

Ashis Dash: I have another question on vertical outlook. Last quarter, we were expecting that retail and manufacturing may stabilize in Q1, but what I can see it is also declined quarter-on-quarter and also I think we have only deal in that space can we expect the recovery in this vertical?

Jagannathan CN: Yes. This is the same logic what I told you on top 10, Ashiss. This BFSI percentage has grown beyond our expectation, hence R&D as a percentage has come down nothing to do with R&D on standalone.

Ashis Dash: Got it. Thanks for taking my question.

Moderator: Thank you. A quick reminder to our participants. If you wish to ask a question, you may join the queue by clicking on the raise hand icon. Our next question is from Amit Chandra of HDFC Securities. Please go ahead. Mr. Amit Chandra, could you please unmute your mic?

Amit Chandra: I am audible?

Moderator: Yes, Sir.

Amit Chandra: Thanks for the opportunity. My question is on a comment that you made that we are focusing more on outcome-based contracts how we are pivoting to that, and obviously in this quarter we had a client-specific impact where we had some delays in billing, which also impacted our margin if you can explain what actually led to this, and how we make sure that in an outcome-based environment we are on track of our milestones and the fluctuations in margin that we are seeing, it actually returns to a stable kind of a margin trajectory.

Rajsekhar Datta Roy: Thank you, Amit. There are two questions, largely. One question is about it is not outcome it is output based. Yes, we have got output based, and we have been traditionally managing the output based as a part of our business. We have practices which will ensure that our delivery remains strong. We have reorganized our delivery team and strengthened it to make sure that our readiness to engage and deliver on this output-based businesses and deliveries are consistent going forward. What was the second point, Sir?

Amit Chandra: Margin and the client-specific impact.

Jagannathan CN: We did not get the question, Amit?

Rajsekhar Datta Roy: If you can repeat, Amit. Sorry, we missed that.

Amit Chandra: No, I was just asking on the client-specific issue that happened in which there were some delays in the billing and which led to the margin impact, so how we take care of that in the coming quarters, and in terms of the margin stability what part of the decline was one-off and how that will recover in the coming quarters if you can give some quantitative flavor to that?

Rajsekhar Datta Roy: Amit, I think the large deal ramp-up is largely behind us. A little bit of ramp-up remaining. Second thing was about paperwork, etc., that is also behind us now. That is going to come back in the coming quarter, which was largely one-time. There are two other aspects like Jagan mentioned which is our investments on AI advisory and building capability like FDE, etc., to readiness to execute the projects once they come of the new GTMs. I think that is going to continue for a couple of more quarters, and we are going to recover it. Overall, we should have a positive trajectory on our margin from next quarter onwards as we go forward.

Amit Chandra: In the past six quarters, we had specific events in terms of the client-specific impacts in our top five how do you see the top five behaving in terms of growth? Is it fair to assume that the worst is behind in terms of the drawdown that we are seeing in the top five, and it will start to grow from here and any specific client-specific impact that you see still pending?

Jagannathan CN: Amit, at present, we are seeing a kind of a stability in our top five at present we do not see any major threat in the top five at present or major issues also in the top five. We expect that in the coming quarter the top five will keep growing better and probably we can see the growth back in top five in few couple of more quarters later.

Amit Chandra: Thank you. All the best. I will back in the queue.

Moderator: Thank you. Anyone who has a question may click on the raise hand icon again. Our next question is a follow-up from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Thanks for the follow-up. A couple of questions. First you indicated about large client, high tech client where we are making investment in account partner kind of thing, where we are a senior leader even deal pipeline, so considering the deal pipeline change in leadership how confident we are there to return growth because that is one of the area of concern at least in last 12 to 18 months from growth perspective, if you can give some sense how the pipeline is shaping up? Second thing is there any new area of growth engine which we identified and which give you confidence the overall growth return to that account? Second question is on the cash balance I think Jagan indicated very healthy cash conversion, if I look your cash balance at the closing it has declined quarter-on-quarter can you help us understand what played out there? Thank you.

Rajsekhar Datta Roy: Dipesh, thanks. I will probably address the question on our large account and then probably hand it over to Jagan to address the cash balance. We have made three important shifts in the large account. One obviously new leadership, which we have augmented. Number two, we have shifted the space where we operate adjacent where there is a more AI-led spending which is happening. As we see in early signs, we see the pipeline has been accretive because of this and we are hopeful that it will result into revenue accretion quite soon. It is a positive impact that we have seen so far, both in pipeline and ability to be able to address these opportunities, so that is probably the outlook for now for the large account.

Jagannathan CN: Yes. Dipesh, can you repeat the question on this cash?

Dipesh Mehta: Jagan, your cash balance at the end of March and end of June, end of June is lower than end of March what explains it?

Jagannathan CN: No, this is specifically some of the deals. The major portion of this is coming in the domestic business front because of the turnover increases for them there are payouts also will happen to the vendor, so the closing balance, but if you see the gap between the loan and the cash balance for us this is ~Rs.65 Crores of positive cash balance compared to ~Rs.30 Crores in the last quarter. We are continuously monitoring and cash portion is soft this is depending on the payout that will happen depending on particular quarter, particular deal what we have completed based on that, this will happen. International business, otherwise, the collections have been stable and the DSO is also stable for us broadly in both the businesses.

Dipesh Mehta: Broadly, the number which I was referring is gross cash you are saying net cash has increased.

Jagannathan CN: Yes. Net is ~Rs.65 Crores versus ~Rs.30 Crores, gross is ~Rs.565 Crores compared to ~Rs.605 Crores. This Rs.50 Crores movement for our size of business is very normal, Dipesh.

Dipesh Mehta: Understood.

Jagannathan CN: I cannot put my finger on any particular issue, but some vendor payments depending on the turnover will change on this broadly. There is no one-time any exceptional payment in this quarter.

Dipesh Mehta: Understood. Last question on the deal win side. I missed the number which you said for, let us say, in international business what was the deal win and can you give some sense about, let us say, nature of the deal win and whether we are seeing, let us say, size of the deal is expanding for us in terms of ticket size I am referring?

Jagannathan CN: I think, Dipesh, your question, the line was a little muffled it was about deal wins for the last quarter?

Dipesh Mehta: Yes. Deal win absolute number, as well as nature of the deal win, and whether we are seeing size growing for us.

Rajsekhar Datta Roy: We have got about seven deal wins. Seven customers that we have won in the last quarter. Most of these accounts that we have a potential to grow further. One of the accounts that we have got is a three-year multimillion-dollar deal, which will have their modernization, and managed services as a part of it from data. That is the color of the deal, and we think it will be consistent and have headroom for growth. The other three or four accounts of the seven client wins have a potential for growth in future.

Dipesh Mehta: Thank you.

Moderator: Thank you. Anyone who wishes to ask a question may click on the raise hand icon so that we can unmute your connection. We have a question from Sushovan Nayak. Please go ahead with your question.

Sushovan Nayak: I hope my voice is audible.

Moderator: Yes, Sir.

Sushovan Nayak: Just a bookkeeping question. What do you think will be the steady state tax rate going forward?

Jagannathan CN: Tax rate will be around 25% in ETR that is what our normal tax rate is. This time we got one exceptional benefit in US from one of the states in US we got exceptional benefit for our R&D tax credit we got. Otherwise, this will be around 25% ETR.

Sushovan Nayak: Got it, Sir. This would positively impact your cash flow also, the R&D tax credit or is it more of a?

Jagannathan CN: Yes. It will. My liability is reduced because of that. My liability for payment is reduced to that extent.

Sushovan Nayak: Understood. On the GTM bit, I think your cloud contribution has now become 62% versus 53% last year is there any color on the mix that you can possibly provide as far as the international IT services business is concerned?

Rajsekhar Datta Roy: Yes. I think, like I said, many of our businesses coming around two parts one is largely around cloud migrations and second is legacy modernization. As I mentioned, that is our key go to market, we see increasing traction around legacy modernization that is led by our cloud area. You see actually the large deal that we won last quarter also involves cloud work and modernizing the cloud area, and hence there is expansion in that GTM.

Sushovan Nayak: Got it. Thank you.

Moderator: I apologize. There is just one participant who is connected to the queue. I will just check his question.

Jagannathan CN: Yes. Please go ahead.

Moderator: That would be Mr. Aman Agarwal of One-Up Financial Consultants. Please go ahead, Mr. Agarwal.

Aman Agarwal: Am I audible?

Moderator: Yes.

Aman Agarwal: The question is on the Microsoft Copilot program you are a depth partner now. I just wanted to understand the nature of engagements in this piece because this piece for Microsoft is growing quite fast, 50%, 60% Y-o-Y could you just give us a sense of the kind of engagements you are doing here and kind of deals you are winning here?

Jagannathan CN: If you can slightly be louder, please we could not hear. I understood the Copilot depth partner part. If you could be a little loud.

Aman Agarwal: Yes. The question was can you help us understand the nature of engagements that you have in this program because it is growing quite fast for Microsoft, just wanted to understand that and how many deal wins have you had here?

Jagannathan CN: I think Copilot itself, we had a couple of deal wins in the last quarter or two, but the program has just been launched, I think about two, three weeks back and we have been among the 40 organizations across the world who have been invited to join. The nature of the engagement with Microsoft involves three, four things that we identify vertical and go-to markets. We work with Microsoft to take them to their clients based on our differentiated value proposition.

Moderator: Yes. Mr. Agarwal, do you have any more questions?

Aman Agarwal: No.

Moderator: It does not look like there are any more questions. We will move to our next follow-up question. That is from Sushovan Nayak of Anand Rathi. Please go ahead.

Sushovan Nayak: Just two questions specific on the margins when we are looking at the international business and when we are looking at the domestic business, right? For my international business, I think if I were to take a steady state margins what would that be possibly because now it is 15%, and I think earlier the commentary was around 19%, so on and so forth, and obviously there were some provision reversals, so on and so forth if you could give some flavor on that? On the domestic business, given that obviously the larger client, that has now gone. I wanted to understand because you are focusing more on the smaller clients, so I believe that will be more margin accretive by nature, and that would positively benefit the margins going forward is that the way to look at it I think that color if you could just provide, that would be helpful? Thanks.

Jagannathan CN: Sushovan, the point what about the margin, what we mentioned is, although this is a couple of factors or three, four factors what we have articulated earlier about what is the impact of margin, why the margin dropped in this quarter for International Business, two of that will be recovered in the coming quarters, and they are all one-timers by nature and the benefits of few of them are because they are all investments will start flowing in couple of quarters later. We expect the margin to come back and I am not able to define a stable state EBITDA margin I do not want that will become a guidance kind of a nature, but definitely it will move towards a positive direction for us in the coming quarters and we are very, very confident to move the needle on EBITDA in the coming quarters very positively. I will stop here because I know your expectation is to give a range on EBITDA margin I wanted to avoid that as a guidance at present. It is qualitative you can infer from that. The second question is on this margin for the large deal in the domestic business. Our measurement of this deal margin is the absolute amount of gross contribution definitely it is positive and it will be accretive for us, but not as a percentage as we have been always mentioning about the absolute amount of gross contribution.

Sushovan Nayak: Thank you.

Moderator: Thank you. Actually there is one more question that is joined the queue that is Mr. Ashis Dash of Systematics. Please go ahead.

Ashis Dash: Just one question. Just wanted your long-term view on the outlook. Before that just one question I can see that the number of clients generating above $1 million annual revenue has been declining for last few quarters continuously so is there anything you want to highlight, so why the total number of clients generating above $1 million annual revenue is declining?

Jagannathan CN: We have mentioned this in the last quarter also. What is happening for us is many of these customers are actually getting into the next bucket, $3 million to $5 million and $5 million and above. The numbers because we give it at a total numerical number it looks like it is coming down, but we are very, very positive that most of the customers we are not losing customers we are moving them into the next bucket for our growth. That broadly is happening we are not losing any customers in this lower bucket. Now with the AI coming in, AI kind of deals are driving on this, a lot of new customers will be added in the first two buckets in the coming quarters.

Ashis Dash: Thank you.

Moderator: Thank you. That was the last question for today. I will turn the call back to Mr. Raj for a brief summary and closing statement. Over to you, Sir.

Rajsekhar Datta Roy: Thank you, everyone. In summary, we are accelerating our evolution into an AI-native engineering-led organization. AI is now embedded across all our offerings, delivery, and increasingly in our operations itself and how we work with customers. We believe that it will unlock new opportunities for us both internally and externally with our client, creating long-term value for our clients, employees, and shareholders. Thank you, everyone.

Moderator: Thank you, members of the management. On behalf of the leadership team, I would like to thank you for your time and for your continued interest in Sonata Software. Should you have any follow-up queries that were not addressed, feel free to reach out to the investor relations team at investor@sonatasoftware.com. You may now click on the Leave icon to exit the meeting. Goodbye.