The Modernization Engineering Company

SONATA SOFTWARE

November 11, 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 October, 2026 and 6th November, 2026, please find enclosed Transcript of Analyst/Investor call of the Company held on 6th November, 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: 2026.11.11 15:56:53 +05'30'

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

Encl.: As above

“Sonata Software Limited Analyst and Investor Conference Call Q2 FY2027”

November 6, 2026

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

Moderator: Hello everyone, my name is Inba. I will be moderating today's session. Welcome to the Sonata Software Limited Analyst and Investor Conference Call for the Q2 of FY 2027, ended September 30, 2026. Please note all participants 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. Please note that there will be an opportunity for all 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 forward-looking statements that may be made in the 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 the call over to Mr. Rajsekhar for his opening remarks. Over to you, Sir.

Rajsekhar Datta Roy: Good afternoon, everyone, and ladies and gentlemen, good day, and thank you for joining us today. We value your time and your continued trust in Sonata. I will just quickly cover what we did in the past quarter and before that, I want to probably set a context that in Q1, we said that we are setting a direction to be an AI native engineering organization and how to engineer the AI enterprise with outcome-led business transformation and AI first technology platforms and AI native service delivery. We are continuing that path, and in Q2, we have made some progress, which I will give you a quick summary. You would have noticed that we have grown in revenues despite a drop in one of our top accounts, so that shows the resilience that we have built into the current one. In Q2, we have made progress on multiple fronts. One, I think, has been to take our new offerings to our top clients, and we see traction building up in terms of order book and pipeline around that. We have also taken our new offerings to our partners, and we see increasing traction around that and demand from our new clients. We also have created a framework to evaluate whatever gaps we have in our execution capability, and we are systemically addressing the gaps so that we have a structural model to scale this business. We have also seen that the quality of engagement in terms of volume of business as well as the nature of business has improved in our midsized accounts.

Now, of the six new horizontal offerings that we have, three of them provide about 61% of an additional pipeline that we have injected and that includes legacy modernization, AI-powered engineering, and AI-ready data. This is aligned to what we had planned as a part of our game plan. We have also strengthened our partnership with Microsoft, both Sell-To and Sell-With, and we have revamped the leadership in the past quarter. We now see early signs of traction and growth in each of these areas, both in Sell-To and Sell-With. In especially Sell With, we have seen that we have moved into adjacent areas of growth, and that is working well, and

we hope to see positive momentum around this in the subsequent quarters. In the Sell With area we have got new partner, we are a co-pilot dev partner now. We are a Frontier partner and this year, again, we have been nominated as an Inner Circle partner, and we are trying to build strategic partnerships around data. So that works well, again, for the future.

We have also significantly enhanced our Harmoni.ai offerings across AI native service delivery as enterprise workbench. We have now Harmoni.ai migration studio to address legacy modernization and we have AgentBridge for handling process transformation apart from AI-ready data and resilient AI backbone. All these are fundamental to generating value first transformation of enterprises to AI. So, we have now seen that we have been able to take some of these offerings, especially the enterprise workbench, and be able to monetize them by actually taking them to clients, delivering work and able to see value both for ourselves and our clients. Two quick examples one is a global quick service restaurant chain. We helped in modernizing and we were able to cut down about 35% of the time to deliver as well as reduction in effort and that has been highly appreciated, and we hope to get further business around legacy modernization from the same account. In the US healthcare benefits and claims leader, we have expedited the velocity of delivery by about 40% and that also is becoming a long-term engagement with us. This proves that some of the assets that we built in the past quarter can in a real world enterprise scenario create value for our clients and which hence builds us a platform to scale them further. We had four key new wins. One was a large deal. Again, this all came in our chosen vertical largely, which is Agri, Pharma and specialty retail. One of them was a large deal, which was around the cloud modernization and that is a US food service equipment provider for the retail and quick services restaurants.

We continue to build on our AI capabilities in terms of delivery, people, and partnerships. We now have a growing pool of AI certified architects, partnerships, and FDEs who are trained and deployed on our private data. We have also significantly moved up our training on the Sonata modernization engineer along with our Frontier platform. So, we have readiness to deliver to the new offerings that we are building. We have also made progress on the sub-verticals that we had started in the last quarter and we have made progress on three areas. One is mortgage and lending, Pharma and Medtech and agri. We are also enhancing our customer engagement and experience area. With all this, we think that we expect a positive growth momentum in the coming quarters, despite some headwinds typical of Q3 in isolated one or two verticals. We continue to focus on our operational rigor and expect to see improvement in our performance. We continue to build a resilient business, enhance our offerings and partnerships, and deliver models aligned to our strategy and the responsible first AI approach. We believe this will create lasting value for our clients, employers, and shareholders. Thank you and I will now hand over to Sujit to give a summary of the domestic business.

Sujit Mohanty: Hi, good afternoon, everybody. Sincerely thank each of you for joining this call. I am basically very happy to have a new fiscal. Our domestic product business continues to build on the positive momentum achieved in the last quarter. We delivered a healthy performance while navigating an evolved technology landscape and ongoing steps in the OEM partner strategies. More importantly, the strategic actions we undertook over the past few quarters are beginning to show tangible results, strengthening our confidence in the growth trajectory of the business. As discussed in the previous quarters, our anticipated headwinds resulting from changes in the go-to-market models of several large OEM partners are already now behind us. We are now increasingly focused on accelerating growth opportunities ahead. We are making significant progress across our strategy growth pillars. We continue to strengthen our partnership with leading hyperscalers and technology providers. Through our focused GTM's execution, we increased business for non-hyperscaler OEM from our existing and new customers. During the quarter, we announced our business partnership with Amazon Web Services by signing a five year strategy collaboration agreement to accelerate cloud adoption and modernization for enterprises across India. This collaboration is going to help us in deepening our database capabilities, enable us to engage customers earlier in their transformation journeys, and unlock more strategic opportunities. We also signed a three year joint go-to-market initiative with Google India for Google's Gemini enterprise. Our multi-cloud management services business continued to gain momentum during this quarter. We secured multiple strategies across banking, financial services, manufacturing and in enterprise segment.

As customers increasingly seek support for managing complex hybrid and multi-cloud environments, we believe this business provides a significant opportunity to build a stronger recurring revenue stream while deepening long-term customer relationships. We continue to set up, build, and expand our addressable market through focused investment in new growth areas to reimagine the next stretch of growth across enterprise IT services, GCC focused professional services, and multi-cloud management services. We operationalized our inside sales group to strengthen market coverage and demand generation for some of these new business GTMs. We are encouraged by the early opportunities emerging across enterprise customers and GCCs for the new business areas. The quarter also witnessed encouraging traction across our solution portfolio with several new wins and expansion opportunities across system integration, multi-cloud management, and AI-led engagement. Our ability to collaborate closely with leading hyperscalers and technology partners continues to support customer acquisition and wallet share expansion across existing accounts. AI continues to be one of the most significant opportunities for our customers and partners.

Enterprises are increasingly moving from experimentation to adoption, creating demand for cloud platforms, AI tools, infrastructure readiness, and managed services. Through our strength and partnership with hyperscalers and other leading OEMs, we are well positioned

to support. And other leading OEMs were well positioned to support customers in their AI transformation journey while building a differentiated growth engine for the future. During the quarter, we achieved a gross contribution of Rs.82 Crores, which is a growth of 19.3% year-on-year, and a PAT of Rs.47.3 Crores, which is a growth of 12.2% year-on-year. Looking ahead, we remain optimistic about the opportunity before us. The AWS strategic collaboration agreement, the Google Gemini Enterprise Partnership, our going multi-cloud managed services business, and our investment in AI-led offering provide us with greater confidence in the medium term growth outlook. 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-led business with sustainable value creation for customers, employees, partners, and shareholders. With this, I am handing over to Jagannathan for the financial subject. Thank you.

Jagannathan C. N.: Thank you, Sujit. Good morning, good afternoon, good evening, everyone. I will provide key updates on Q2 2027 business and financial performance now. Starting with international business, during the quarter, we benefited from few growth drivers. We added four new customers in Q2 2027. Top 10 clients contributed revenue share of 51% in Q2 2027. Number of clients greater than 5 million run rate stood at 11 and number of clients between 3 to 5 million revenues stood at 12. Q2 2027 order book stood at Rs.98.5 million, which is with a book to bill ratio of 1.18x. We clocked AI-led order book of 24.2 million in Q2 2027 and now contributed to approximately 25% of the overall order book. AI-led pipeline is Rs.358 million in Q2 2027. Total headcounts including domestic stood at 6,214 in Q2 2027 with attrition at 10%. Onsite-offshore revenue mix stood at 30:70 in Q2 2027. Utilization improved to 90.5% in Q2 2027 versus 88.5% in Q1 2027.

Let me now walk you through our financial performance for the quarter ending September 30, 2026. First starting with international services. Rupee revenue stood at Rs.797.9 Crores, a growth of 2.7% quarter-on-quarter, and a growth of 9.3% year-on-year. Whereas USD revenue stood at Rs.82.8 million represents growth of 1% quarter-on-quarter and a growth of around 0.9% year-on-year. In constant currency terms, it represents a growth of 1.2% quarter-on-quarter and 1.3% year-on-year. EBITDA before other income and forex in Q2 2027 stood at 15.5% and growth of 0.1% quarter-on-quarter from 15.4% in Q1 2027. The EBITDA improvement driven by below factor our utilization improved to 90.5% from 88.5% primarily due to ramp up completion of one of the large deals.

Operational efficiencies of improving pyramid, fixed price optimization, and SG & A savings. The above increase is mainly offset by increments in this quarter, increase in cost of severance in one of our large accounts due to ramp down in a couple of geographies. Investment in new AI solutions for few of our customers as a proof of concept for potential revenue in the upcoming quarter. We continue to make investments in talent transformation, advisory

solutions in line with our positioning of engineering in AI enterprises. Q2 2027 PAT stood at Rs.69.1 Crores as against Rs.62.2 Crores in Q1 2027, a growth of 11.1% quarter-on-quarter. However, there was a degrowth compared to last year. Reported ROCE and RONW for the quarter stood at 19.2% and 17.7% respectively. International services DSO in Q2 2027 is reported at 52 days against 60 days, but this is also due to some advanced collections in this quarter. We will maintain the DSO around 60 days in the coming quarters.

Now, let me provide you an update on domestic business. Revenue for Q2 2027 stood at Rs.1655.6 Crores. This looks like a degrowth of 33.9% quarter-on-quarter, but a growth of 19% year-on-year. As mentioned earlier, we focus on gross contribution rather than on revenue. Gross contribution for Q2 2027 stood at Rs.82 Crores, a growth of 4.5% quarter-on-quarter and 19.3% year-on-year. PAT of Q2 2027 stood at Rs.47.3 Crores, against Rs.45.9 Crores in Q1 2027, a growth of 3.1% quarter-on-quarter and a growth of 12.2% year-on-year. DSO for Q2 2027 is 47 days compared to 65 days in Q1 2027. Reported ROCE and RONW for the quarter stood at 58.2% and 42.9% respectively.

Update on consolidated business. Consolidated business revenue stood at Rs.2,445.2 Crores and a growth of 15.4% year-on-year. PAT for Q2 2027 stood at Rs.116.4 Crores, again, Rs.118.1 Crores in Q1 2027, reflecting a growth of 7.7% quarter-on-quarter, although there was a degrowth year-on-year. Reported ROCE and RONW for the quarter stood at 25.8% and 23.3% respectively. EPS for the Q2 2027 stood at INR 4.2 per share against the Q2 27of 3.9 per share.

Update on cash flow, cash generation remains strong during the year with closing gross cash balance of Rs.426.3 Crores. To conclude, overall the quarter reflect continued progress in executing our AI-first strategy, deepening client partnership, enhancing delivery capability while maintaining a disciplined approach to business performance. Additionally, the operational momentum highlighted by our domestic business team is translating into healthy financial outcome. Our focus remains on driving profitable growth, maintaining discipline, execution and strengthening cash generation while continuing to invest in opportunities that support long term value creation. With this, I hand over back for the questions.

Moderator: Thank you very much, Sir. 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 yourselves to two questions per turn. For participants connected via 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 participants connected via telephone call, to join the queue, please press star 9 on your telephone keypad. When it is your turn, you will be prompted to unmute by pressing star 6. Please state your name and company name before asking your

questions. We will wait for a moment while the question queue assembles. We take the first question from the Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Yes, thanks for the opportunity. A couple of questions. First, you indicated drop in one of the top customers which we have observed. Can you provide some context around it and how you expect it to evolve in the next few quarters? Second question is about the data revenue side. Data revenue continues to have a significant weakness. It is 50% down Y-o-Y? Now, data is one of the focus areas for the company, but the performance which we report in one of the service line is not reflecting it, focus kind of thing? So, if you can give some clarity on how to read it? Third question is about EBITDA margin walk. Jagan, if you can run through us about some of the factors which you indicated, if you can quantify some of the impact from a quarter-on-quarter perspective and I have one question on domestic business maybe once you answer these three I have one follow-up on domestic. Thank you.

Rajsekhar Datta Roy: Thank you Dipesh and I will take the first couple of questions and then hand it back to the Jagan to answer. I think yes like I narrated that we had a drop on our top customer in the past quarter that happened during the renewals. I think this drops are normally expected, but I think that we are past that now and we see positive traction going forward. That is because of two to three things. One, we have made changes in our teams and leadership. That is one. Second, we have changed our strategy in terms of where we focus in these areas, veering more towards spend around AI, and that is holding us in good stead going forward. Data revenue, if you compare YoY and right now, is our largest BFSI customer which had largely data as their thing and that contributed to the YoY trend and in the drop on the large account, also a large part was from the data area. So both contributed for the quarter-on-quarter as well as YoY trend, but we feel very strongly that our data pipe as well as OB will continue to grow because of some of the work that we are doing in strategic alignment of modernizing to AI related data. So, that I think is a go forward direction on that. Jagan, do you want to answer the question?

Jagannathan C. N.: Yes. Dipesh, as I mentioned in my comments now, there were headwinds and there were tailwinds for us. The tailwinds have been the improvement in margin for us and improvement in utilization for us in this quarter. That was a beneficial one, plus there are savings from the operational efficiency that brought in during this quarter, but as I mentioned earlier last quarter also, this quarter we had a salary increase for our low management people, which constitutes about 60% of the people for us. That increment had an impact on the EBITDA as expected and on the large account, there are a couple of geographies where we had a severance cost incurred for it because of a couple of downstate as the group that is reflecting in our revenue also. So, that has been observed in this. Third one is an investment in our whatever we have done with our customer as mentioned by Raj, we have been focusing on our new go-to-market, AI-led go-to-market, six offerings that we mentioned and our focus

on three offerings to the customer. We are seeing a lot of traction there. Hence, we have invested on demonstrating the value of these solutions to the customers through an investment in proof of delivery we have given for the few of the customers, some of these things are we are reflecting in our pipeline as well as in the order book, which you will see in the next couple of the quarters due to the increment, which will reflect in the in the increase in the revenue. So, these are the major reasons on our EBITDA for this quarter.

Dipesh Mehta: No, Jagan, thanks but I was more looking about quantification of some of these factors, like let us say wage hike, what is the exact impact on margin? Similarly, severance payment because it is unlikely to recur let us say next quarter? So if you can quantify it, help us to understand what is recurring and what is non recurring impact this quarter and on the top client, also, let us say you indicated about some of the market we exited severance, but let us say going forward basis, are we seeing any challenges in top 10 because if I look last couple of years, our performance was affected because of the challenges in some of these top clients? So, from here on, let us say from the next 12 to 18 months perspective, what is the growth outlook you observed in our top 10 clients? If you can provide some details and the domestic business, which I wanted to understand, let us say domestic business is showing now signs of recovery. Do you expect domestic business is returning back to mid teen kind of gross contribution profit trajectory on going forward basis? Thank you.

Jagannathan C. N.: Okay, Dipesh your question is very valid. The second part of it about the growth. Raj will comment about it. I will complete the margin part of it. Out of this, whatever I mentioned to you, there are one time which is the severance cost which contributed around 50 basis point for us in this quarter and also there is one time proof of concept investment is around 100 basis point for us. So these two are replaced, but this one time proof of delivery, depending on what customer wants and what is the situation of the deal, which is not a planned kind of an investment, it can be structured for the next four quarters kind of thing. Depending on customers' requirement and opportunity in front of us and the size of the deal, we will have to decide on this. As of today, I have reflected the past what we did in Q2, let us not reflect what we are going to do in Q3. I will not be able to comment on the quantum, what will reflect or not reflect at present. In case if there is a substantial portion, this is not a substantial investment, we thought that this is not a continued substantial investment, but this is a very important investment many of our customers, few of our existing customers. Hence, we invested on this. We may have some portions of this continuing in Q3, but not that we know exactly where we stand. It only reflects the past data. You cannot extrapolate it for the future.

Rajsekhar Datta Roy: Answering the question on top 10 customer mix, there are isolated headwinds that are expected in Q3 especially in BFSI and TMT vertical, but we still think that our top 10 will contribute more than what it has contributed in the past and not specifically each account but

the top 10 contribution will be higher. That is what we see for the moment and go forward also I think our top 10 business are looking for more sustainable at this point of time.

Jagannathan C. N.: Yes and considering on the India business. See taking into account the GTMs which are running currently in the market, our OEM engagement and the customer traction around those GTMs, we strongly believe that in the medium term, we will continue to have a good trajectory. Thank you.

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

Dipesh Mehta: No, thank you.

Moderator: Thank you. A quick reminder to our participants, if you wish to ask a question, you may click on the raise hand icon from the participant tab. We will take our next question from Amit Chandra of HDFC Securities. Please go ahead.

Amit Chandra: Thanks for the opportunity. So my first question is on the stress that you are seeing from the top account. You mentioned that there was some kind of delays in terms of renewals or some of the renewals like did not happen or we had some hit there. So is it because if I recollect last time you said that most of the renewals in terms of Microsoft or the large account has been on track and we are seeing some signs of recovery there, so what has changed there, like maybe in the last three months? And also, from here on, what gives you the confidence that maybe the top five or top 10 accounts will actually drive the growth because we have been struggling for growth over the last many quarters now and some of the verticals and some of the clients, we are facing headwinds. Now, overall the growth for the ITS, the international services has been stressed and if I see some of the verticals also like your emerging vertical on a YoY basis has seen a sharp kind of a sharp like downside from like emerging from say it is not 2% YoY? It was around like 10% to 11%? So, what is happening within that, and also if we can give some like color in terms of vertical wise, which verticals we are seeing some traction from here on and like what kind of like recovery we expect in the coming quarters?

Jagannathan C. N.: Amit, I think you have asked three questions. One is on the renewals from our top accounts, and I think, like I said, the renewals were behind us, but we had ramped down on in one program, particularly, and which resulted in the revenue decrease in the past quarter, but that is behind us now. We see positive traction building, and I think we need not look at that going forward. I think we have moved to new areas, and that is working well for us. So that is on the top account. On the top 10 performance, I think there are accounts in the top 10 which are one or two accounts which have some isolated headwinds in the Q3, but I think overall it will still see an accretion. That is what we see currently and we are continuously building pipeline

in these areas and we expect to convert. We also see large deals coming in the top 10 accounts. I think there is about 30% of the large deals are in the top 10 accounts. So we expect that to also play out for us. Coming to verticals, I think for us, we have HLS, which is healthcare and life sciences, which is growing consistently for us. BFSI, if you compare last year that was including one of the accounts from the Quant. I think that account has since run down, but after that, last quarter we saw improvement in BFSI as well. R&D is slightly under pressure. TMT, barring the top account, is looking good. One of the things that I wanted to do mention that some of our growth is also coming from the mid size accounts, which is scaling up faster and that is primarily because what is happening is that we see with the AI-led go to market, there is a model like prove and scale, right? You prove for two months, three months, and then scale. We already see examples of that happening, and that is happening faster in this mid size account. So they are scaling faster. While we have pipeline, the OB decision making is longer in this, primarily because they are worried about security regulations and this kind of stuff even though they might be convinced about the offering. So that is the typical color on the geography. We also made significant progress on agri for example in an area which has been our focus. We have had wins there already and that those kind of go to markets are further improved.

Amit Chandra: Okay and Sir in the TMT vertical, apart from the stress, yes, apart from the decline that we had in the top account, is it fair to assume that the other accounts rest of that has been growing or is it more like broad based kind of the pressure we are seeing in TMT?

Rajsekhar Datta Roy: No, it is not broad based. It was isolated to one account. We might have another account on which there might be pressure in the coming quarter, but in spite of that, we see positive traction overall. I do want to reiterate that and it is not isolated to this one account. So we are trying to build a resilient business. We understand some of these things will happen. We are anticipating that and driving the business towards being resilient and growing despite this.

Jagannathan C. N.: Just to add on. Amit, one point I want to clarify, just to add on what Raj was mentioning. The top account we had this quarter, there was some impact was there, but we see that from next quarter, there will be positive momentum in this top account momentum and so forth.

Amit Chandra: Okay, and Sir, earlier we used to give some sense in terms of how much exposure we have with Microsoft in terms of Sell-To and Sell-With, only in the IT services side, excluding the domestic business? So any like number you can give us what would be the Microsoft kind of exposure sells to and sell with within the IT services right now?

Jagannathan C. N.: I think we can provide you the details.

Amit Chandra: Okay and in terms of the margins, obviously, there has been the margin erosion that we have seen in the past few quarters, but earlier, we had an aspiration to operate in, say, 18% to 20% range? Now we are back to 15%, so from here on and we also operating at pretty higher utilization levels? So from here on, what are the margin levers that we have apart from growth and obviously you mentioned about some of the one-offs that we had in this quarter and we had the wage hike also, so now most of the one-offs are in the base, the wage hike is there in the base and we are expecting some kind of growth to come back? So from here on what kind of margins, we can expect steady state margins for the IT business?

Jagannathan C. N.: Amit I will take this question. Our aspiration is to maintain the margin between 18% to 20%. As mentioned we are working towards that and this quarter we called out what was the reason why we have our EBITDA percentage where it is now. It is not degrown till there was an improvement in spite of all this investments and the expense for us. We expected the margin to improve from now. This is being base level and we are expecting the margin to grow. How much of margin growth and where will it happen, we will keep you posted. We wanted to reflect the number when the results are being announced, but definitely there will be a positive momentum in the margins in the coming quarter. That is what we expect on this. I want to highlight one important point because you also mentioned about the revenue growth. If you see after a long, long time, at least four to five quarters after that, we have crossed the 0.5% of growth in this quarter and we are reflecting clearly a 1% growth, which we see that the starting of the growth phase for Sonata is coming back and that is what, both in terms of margin as well as in terms of revenue, we are very positive in the coming quarter.

Amit Chandra: Okay, Sir and, Sir, the final question from my side for the domestic business, obviously, we are seeing the growth coming back and with concerns related to the top client going direct and all, so is it fair to assume that most of the concerns are behind us and we can be back to 20% to 25% kind of a growth trajectory in that India business?

Jagannathan C. N.: I will not be able to comment on the exact percentage, but I can definitely tell you that you will see the growth trajectory in the medium term.

Amit Chandra: Okay, Sir, thank you.

Moderator: Thank you. Anyone who has a question may click on the raise hand icon to join the question queue. Participants, if you wish to ask a question, you may click on the raise hand icon so that we can unmute your connection. We will take the next question from Ashis Dash of Systematix. Please go ahead.

Ashis Dash: Thank you for the opportunity. So, you mentioned that there are project positive tractions in certain segments. Also, you highlighted that you are entering into new areas. So, could you

please elaborate on those things because also Jagan highlighted that 1% growth despite those challenges, so if these tractions could drive our growth acceleration, that is just asking to understand that?

Rajsekhar Datta Roy: If you look at our growth driver, I think what Jagan pointed out, I think from being, I think given where we set off earlier, right, and if you look back in the past four to six quarters, we had multiple headwinds of our large accounts ramping down and all the stuff which we had and we were trying to build a resilient base business so that it could completely stay steady. I think in this quarter we are moving the needle from stability to towards growth, which is represented in this 1%. Now coming back, this is the early indicator of this movement what is driving that? I think fundamentally, I think three things are driving this. I think what we are taking to customers for which there is demand, given AI is, I think, the first thing, which is our new offerings.

Rajsekhar Datta Roy: We see three specific areas right now, like I mentioned. One is AI native service delivery. We see significant traction around that, and it is built around our differentiated approach with enterprise workbench. Second thing is legacy modernization. That is a big bulk of this pool of demand was not available to us in the past, and that is now available on multiple forms, whether it is data, cloud apps, or your business process. We are seeing legacy modernization as a big thing. There are three main things which are driving the growth, I mean, demand in the market one is business transformation with AI, legacy modernization, and service delivery transformation. For each of these, we have built assets as a part of our Harmoni.ai to help differentiate and build, and that is creating the positive traction. Third, I think is our focus in terms of where we are focusing in terms of growth. If you look at our accounts that we are focusing is based on where we can see headroom potential for Sonata. Second, where we have capability aligned and we have now put investments to drive that growth and that seems to play out. So those accounts are growing for us. In spite of we might have no market share now but I think we are able to grow market share there and because of the new offerings we are able to create opportunities, so that is one.

The second vector of this thing is also new accounts. So if we see we have strengthened our partnerships, especially with Microsoft and AWS and we have other partnerships which are in the works right now and we have built strategic partnerships. So after a long time, you will see that we have seen dynamics business growing back and that is on the back of new bids. We also see data pipeline. You may not be able to be visible now in terms of revenue, but I think we have a very strong pipeline and very strategic model of engagement around data. That is one. Cloud with legacy modernization is going. So these are the vectors in terms of horizontal. In terms of verticals, I think we still think TMT is going to be accretive to us. BFSI except for maybe a little bit in Q3, there might be some headwind, but beyond that midterm is still going to go for us and healthcare has been steady. So these three verticals will

help grow. We also see that we might have some spaces in our retail, but it will probably take one or two quarters to come back. On specific pockets, we have shown signs of recovery especially logistics. So, I hope that gives color to the business.

Ashis Dash: Yes, understood. I just wanted to confirm one thing. You mentioned that there is another account which you may see some headwinds in coming quarters. Could you please elaborate like highlight more about that account, which vertical, what kind of impact you are expecting? What is the exact issue?

Rajsekhar Datta Roy: That will be a TMT vertical. I mean just to give a little bit of color on that. In the next quarter, you might see a slight ramp down in that account in TMT vertical. In spite of that, we think we will be able to grow and we will see top 10 accounts accretion, right? Point number one. Point number two, even in that account, our order book has actually gone up. So the revenue will now be spread over a longer period of time and the revenue value of the order book has actually gone up significantly from what it was in the past. So you will see a longer stream of revenue. So while we have a quarterly impact, the long term view over say 8 to 10 quarters is positive in terms of the total volume of business.

Ashis Dash: Okay and my last question is last two quarters, what I have seen in your presentation, you are highlighting key deals rather than large deals. So, could you please highlight what you mean by key deals and what is that the average size of the deals?

Rajsekhar Datta Roy: See, large deals we are classified at over 5 million, but see, one of the things that in this market, personally our strategy is not to be dependent only on large deals because it has decision making delays and complexities which is affecting our performance. So, that is a pivot that we have made. We are actually mitigating this with a much more wider size of deals which are typically in the range of $2 million to $4 million, maybe a little high, but it might be slightly below $5 million, but it is still significant for us, right? For example, we have a deal this quarter, which is about $4.2 million, right? It is not characterized, but it is still important, and we are trying to intentionally grow this kind of deal, so it mitigates the risk of large deal decision making delays, right? And that is how we are building a resilient business. Hence, we started pointing out key deal, so that it is a right indicator of our pipeline.

Ashis Dash: Okay, got it. Thank you so much.

Moderator: Thank you. We take our next question from Dipesh Mehta of Emkay Global. Please go ahead.

Dipesh Mehta: Yeah, thanks for the opportunity. A couple of questions. Just want to get a sense about the micro verticalization, which you earlier alluded to and even in your presentation, you give some more detail about what we address in BFS, HLS, and RMD. Can you give a broad sense

let us say, where are the scale of some of these sub-verticals and what kind of growth opportunities you find from a medium term perspective? Second question about some of the leadership changes which you highlighted, particularly at the account level. Can you give, let us say, a broad color about whether we are largely behind that exercise in terms of changing leadership, which you intend to make is already happen or where we are in that journey and last question is about Quant what we acquired a few years back. Considering some of the client specific challenges and overall growth trajectory, do you see, let us say, any chance of impairment in the transaction? Thank you.

Rajsekhar Datta Roy: Sorry, I missed the last question if you can just repeat Dipesh.

Dipesh Mehta: The Quant business, considering some of the client specific challenges led to, let us say, decline in business, are we witnessing, let us say or seeing scope of impairment in that business?

Rajsekhar Datta Roy: Okay fine. I think what especially for the top account I think the leadership changes are behind us. I think we continuously look at how to improve our capability to execute. That apart I think the broad especially on the top account. Having said that we have plans to augment further, align to a strategy, further leadership capacity going forward, but it is not linked to the top. So that is on leadership. We have a fairly stable leadership team now, which is working well for us, and we are hoping that that will be sufficient for our current growth, but we will be investing for future and larger growth. Number two, sub-verticals, like I said, it is still to play out in terms of revenues, but we see early momentum in two verticals, specifically one is in life sciences. Life sciences, we have taken this approach and we already have prospects in mature stage based on the sub-vertical strategy. So like we are taking an approach where we are able to build a minimum viable proposition, take it to the customer, and validate it. Based on that itself, we are seeing traction on that. Having said that, revenue itself will play out only in the midterm. Number two is agri. Agri, we already have wins and we are strengthening that. This has been a traditional strength of Sonata. So that is again working well for us and we are building out in BFSI multiple domains, especially we have started with mortgage and lending, which has been our core area of focus. So that is also we have an MVP of the proposition, but you will see the revenue impact in the midterm, but I think life sciences is closest to the revenue credit. This also is the validation of our approach, which finally will lead to outcome based models getting implemented with clients in future. The last question was on impairment. Jagan, you want to?

Jagannathan C. N.: Yes. So, India, with regard to the Quant, we have the 100% is not showing and reflecting on this impairment specifically, but we will be reevaluating this after the governance process and regulatory requirements periodically. Last was done in the month of March because of the year end time. We did a test with the structured governed audit process, we have tested

the impairment and we did not reflect anything and it was disclosed by the auditors also confirmed on this. Going forward, we may consider them merging Quant and with our Sonata in the coming quarters whenever the board decides to do that. So that is the situation on this Dipesh.

Moderator: Mr. Dipesh Mehta.

Dipesh Mehta: No, thank you. Thanks.

Moderator: Thank you. Any participant who wishes to ask a question may click on the raise hand icon. We have the next question from Jimit G of Emkay. Please go ahead.

Jimit G: Yes, so I just actually wanted to understand on the progress on the AWS deal that we signed. So has that ramped up or is it in the process of ramping up and any ballpark contribution that we can expect from this, if you can just shed some light on that would be really very helpful? Thank you.

Rajsekhar Datta Roy: So, Jimit, we signed this SCA agreement with AWS, which is a five year contract and as for the contractual terms, the first few quarters we have to build up a competency team. So, currently we are working on building the team and we are having the engagement with AWS India accounting. So, this will take around two to three quarters to set it up and have the GTMs and the execution will most probably be starting from the Q1 of the next financial year. We need at least till next quarter to keep the platform ready and have the setup. So, this is how the plan has been set in motion, and this is how it has been agreed with AWS.

Jimit G: Okay, thank you and even help us understand some of the contours around it in terms of say is this a pure Microsoft like structure or is it a different structure and how do we expect like do we expect anything incremental on the gross contribution level as and when it ramps up?

Rajsekhar Datta Roy: Sure, so we currently have an engagement with AWS and we will do AWS business in India. The whole idea of getting into this plan is to accelerate the AWS business and the customer acquisition around AWS technology in India and essentially we are looking to double our earnings from AWS technology areas, what we are having currently and that is how this program has been designed. So definitely we are looking for doubling gradually our funding from AWS engagement. Thank you.

Moderator: Jimit, do you have any more questions?

Jimit G: No, thank you so much.

Moderator: Ladies and gentlemen, that was the last question for today. I will turn the call back to Mr. Rajsekhar for brief summary and closing comments.

Rajsekhar Datta Roy: Thank you very much everyone for joining the call and very happy Diwali to everyone. We wish a very happy and prosperous Diwali for everybody and we at Sonata are trying to build a resilient business that works for the employees, shareholders, and all stakeholders and look forward to that. Thank you again very much.

Moderator: Thank you. 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, please feel free to reach out to the investor relations team at investor@sonata-software.com. You may now click on the leave button to exit the meeting. Thank you for your participation. Goodbye.