

Sonata Software Limited
Transcript of the 30th Annual General Meeting held on 31st July 2025

- **Ms. Mangal Kulkarni – Company Secretary, Sonata Software Limited:**
- Good evening, I'm Mangal Kulkarni, Company Secretary of Sonata Software Limited, joining this Annual General Meeting from Bangalore. I welcome you all to our 30th Annual General Meeting of the company. A quick info on the conduct of the meeting and guidelines for Q&A session. Members may note that this AGM is being held through video conference in accordance with the Companies Act 2013 and relevant circulars issued by the Ministry of Corporate Affairs and SEBI and other regulations. The proceedings of this meeting are being recorded for the compliance purposes. By default, the host places all participants on mute.
- During the Q&A session, speaker shareholders will be unmuted and are requested to enable their video for active participation. In case video is unavailable, they can still participate using audio mode. In case of connectivity issues at the speaker's end, we will proceed with the next scheduled speaker. Once the connectivity is restored, the affected speaker shareholder will be given another opportunity to speak. We request shareholders to keep their remarks within a three minutes time limit. Moreover, should any shareholder encounter technical difficulties, they are encouraged to reach out for assistance through the helpline number provided in the notice of the AGM.
- Additionally, shareholders who are not registered as speakers can actively participate by sharing their views or posing questions using the Ask a Question tab available on their video conference screens. The answers to the same will be provided towards the end, if time permits or through emails after the AGM. Thank you very much. I now request Mr. Sanjay Asher, Chairman, to continue with the proceedings. Over to you, sir.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you. Thank you Mangal. Good afternoon dear shareholders. I'm Sanjay Asher, Chairman of the board of directors of your company. I have joined this meeting today from Mumbai. On behalf of the Board of Directors of your company, I have great pleasure in extending warm welcome to all of you at the 30th Annual General Meeting of the company. This meeting is held through the video conference mode as statutorily permitted. I affirm that the company has made all efforts feasible under the circumstances to enable members to participate and vote on the items being considered at the meeting today. I'm informed that the requisite quorum is present through the video conference mode to conduct the proceedings of this meeting. I now call this meeting to order.

- Before we proceed to the formal agenda of the meeting, I would request my colleagues on the Board of Directors to introduce themselves. Mr. Samir Dhir, please.
- **Mr. Samir Dhir – MD & CEO, Sonata Software Limited:**
- Good evening, everyone. I'm Samir Dhir, MD and CEO of the company. I joined the meeting from Bangalore today.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Samir. Mr. Surin Kapadia, please.
- **Mr. Surin Kapadia – Independent Director, Sonata Software Limited:**
- Good afternoon shareholders. I'm Surin Kapadia, Independent Director of your company and Chairman of the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee. I'm attending this meeting from Bangalore.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you. Mr. Srikar Reddy, please.
- **Mr. Srikar Reddy – Executive Vice Chairman & Whole-Time Director, Sonata Software Limited:**
- Good evening everyone. This is Srikar Reddy, Executive Vice Chairman and Whole-Time Director of the company. I'm attending this meeting from Bangalore.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Mr. Shyambhai Ghia, please.
- **Mr. Shyambhai Ghia – Non-Executive Director, Sonata Software Limited:**
- Good evening everybody. I'm Shyam Ghia, Non-Executive Director, Chairman of Stakeholders Relationship Committee. I'm joining in from Mumbai.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you Shyambhai. Mr. Viren Raheja, please.
- **Mr. Viren Raheja – Promoter & Non-Executive Director, Sonata Software Limited:**

- Hi, this is Viren Raheja. I'm the Promoter and the Non-Executive Director of the company. I'm joining the meeting from my office in Mumbai.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you. Mrs. Mona Desai please.
- **Ms. Mona Desai – Independent Director, Sonata Software Limited:**
- Good evening! I am Mona Desai. I'm an Independent Director of your company and the Chairperson of the Corporate Social Responsibility Committee. I'm joining in from Mumbai. Thank you.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you. Mr. Jagannathan, please.
- **Mr. Jagannathan CN – CFO, Sonata Software Limited:**
- Ya! Good evening all. I'm Jagannathan CN, Chief Financial Officer of the company, joining from Bangalore office.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you. Apart from these individuals who have joined through the video conferencing mode, we also have the senior leadership team members of the company joining from their respective locations.
- Further, our statutory auditors, namely Mr. Amrit Bansali and Mr. Vivek Gopalakrishnan from BSR and Company LLP, statutory auditors, Mr. Nagendra Rao from GDR and Partners LLP, secretarial auditor and Mr. M. V. Bhat, Company Secretary in practice, who has been appointed as the scrutinizer for e-voting and the AGM, are also present at this meeting virtually. On behalf of the board of directors, I would like to thank you, all of you, for joining us today. In case of any network connectivity issues that I may come across during the meeting, with the consent of all the directors present, I authorize Mr. Samir Dhir to continue the proceedings of the meeting. The registers, as required under the Companies Act 2013 and other documents mentioned in the Annual General Meeting Notice, are available electronically for inspection by the members of the company.
- As this Annual General Meeting is being held through video conference mode, the facility for appointment of proxies by the members is not applicable and hence, the proxy register for inspection is not available. I would like to inform that the company has received representations from members for 60,35,010 shares, representing 2.15% of the paid-up share capital of the company. As the notice of this meeting has been sent by

electronic mode to all the members, entitled to receive the same, I take the notice as read.

- Since the Chairman and CEO messages are already part of the annual report of the company, I consider the same as read. The statutory auditor's report and the secretarial auditor's report have no qualification and are taken as read along with the report of the Board of Directors and the audited financial statements. As required under Section 108 of the Companies Act 2013, read with applicable rules and regulation 44 of SEBI Listing Regulations 2015, your company has provided remote e-voting facility to all the members to cast their votes electronically in respect of all items of business mentioned in the notice. Members who are present at the Annual General Meeting through VC and have not cast their votes on the resolutions through remote e-voting, can vote during the meeting through e-voting facilities provided by NSDL.
- May I now please request Mr. Samir Dhir to present the performance of the company for the financial year 24-25 to the members of the company. Thank you.
- **Mr. Samir Dhir – MD & CEO, Sonata Software Limited:**
- Thank you Sanjay bhai. I present to the shareholders now the performance of the company for the fiscal year 25. The thematic of the year was essentially around AI and I'll take the members through that. So if you can go to the next page please.
- Before I start, I just want to thank you, all our shareholders, our global Sonatian team members, our partners and our clients for enabling our journey towards building a leading modernization engineering firm. This is a people business. This is all about people. So my sincere thanks on behalf of the management team to all the shareholders and Sonatians globally. Next page, please.
- Let me start by providing an update on our performance vision and aspiration for Sonata. Our aspiration is fairly simple. We want to be a top quartile growth company, enabling clients' modernization outcomes and empowering Sonatians to succeed. This is a vision that we had put out a few years back. We continue to work towards this. We're not there as yet but every quarter, every month, we work towards that goal. And over a period of time, we aspire to get to a top quartile growth firm. As we scale the company, we're harvesting what Sonata has done exceedingly well over the last 30 or 40 years, which is essentially around dynamics, our strengths around SIPL business, our strengths in retail manufacturing, our strengths in DMT business. We really want to harvest them more and more as we move forward so we can scale the company.
- In addition, as you know, we have invested in newer areas like large deals, BFSI vertical, healthcare vertical and new capabilities specifically as it pertains to AI. Our strategy is to use the existing strength of Sonata and then use the capabilities that we're building up to help diversify the company and scale it and diversification in terms of building multiple

large accounts and also building a global brand in modernization. And simply put, evolve the company from Sonata software to sonata.ai in many, many ways. And that's a journey that we have started and evolved candidly as AI has become mainstream and we want to continue to work towards that. Next page, please.

- Just in terms of numbers, this is our 39th year of existence as a company. We are an IT services company, publicly listed. We are about 1.2 billion in revenue, slightly over that as of last fiscal close. Our 10-year CAGR is about 15.4%. We are about 6,800 plus employees globally. And we're proud to have 15 plus diverse nationalities working at Sonata across multiple continents. We thrive in offering six core capabilities to our customers to modernize their technology platforms, which are Cloud, AI and data, dynamics, managed services, automation and digital contact center. And underpinning all this, is our proprietary framework of Platformation, which we use to implement these technologies for our customers. Next page, please.
- I'm delighted to share with you, as we have scaled the company, we have expanded our geographical footprint within the five continents that we want to sell or five countries we want to sell. We have expanded our footprint in each of those. So today we are present across 28 offices, which are a combination of sales offices and our delivery offices. And you can see companies scaling up nicely. The most recent addition in the last fiscal year was in Mexico and in Malaysia. Next page, please.
- These are the five areas which are helping us scale the business as we're moving forward. We talked to the shareholders about our focus on large deals. In the last year, we closed 11 large deals in the whole fiscal year and we also added 13 enterprise-grade logos and these are venerable logos for the company as we scale the platform. Second, we have talked about scaling the business from AI and specifically in data on Microsoft Fabric. We have made significant progress. Our teams globally have made significant progress to create \$34 million worth of pipeline in AI and Fabric together.
- From modernization perspective, we had talked about scaling the company from Cloud and data. Today, we have over 60% of our pipeline which is coming from Cloud and data. So very pleased with the progress our teams have made on Cloud and data side as well.
- On verticals and partnerships, we have focused on a few verticals and a few geographies and we're making good progress on that. And last but not the least, our domestic business, the SITL business, has been steadily scaling the gross contribution performance year on year. Next page, please.
- I want to give shareholders a view of nature of work Sonata is doing to drive AI adoption for its customers. There are three examples by which I'll illustrate to you the nature and quality of work we're doing. As you know, AI is still very much an evolving technology. I think in next, one or two years, it will mature out. But there are some exciting areas and avenues that we are using AI for our customers so that they can scale their businesses

from a market perspective. So the first example is for a healthcare customer, where we used AI bots to drive multilingual support for their customers and grow efficiencies and faster time to market for that customer.

- The second example is for a European-based telecom customer where we applied AI in FinOps, using which we were able to drive significant operational efficiency for the customer. But beyond that, also improved operational performance in this case to improve their DSO, their day sales outstanding as part of having lesser human touch point by using AI technologies. The third example is for a travel client in the UK where we are using AI to drive reduction in average call handling time for their end customers and really using AI to also drive better ways to capture orders from the internet using latest and greatest AEO technology for the customer.
- In summary, we're using AI to drive transformation for our customers across different industry domains. And we're using that experience and learning to implement AI within Sonata as well. Next page, please.
- I'd like to share with you, it's not just about what we do for our customers, what we do for our team members. As a company, we're very mindful of our corporate social responsibility as well. This page illustrates some of the efforts and initiatives that we have taken as a company to drive corporate social responsibility projects. I'll pick up the top three - for Arvind Eye Hospital, which is a part of our D&I initiative. We're working with them to drive corporate social responsibility with them. We're also working with IISC in Bangalore to drive technical digital scaling program for the students at IISC. And with MAP, we're also doing handicraft work related technology support for them to drive women literacy and diversity in technology. So multiple efforts are on to really give our part of the effort back to the community as a responsible organization that Sonata is. Next page, please.
- I'm delighted to share with you some of the key recognitions Sonata got during FY25. We were identified as the top three fastest growing Indian brand in the fiscal year. We were also rated by John Way as one of the best people workplace to operate at. We are also given an aspirant status in the AI technologies in the course of the year. We also increased our status to, silver status at EcoVadis in line with our sustainable practices at the company and multiple other awards. Clearly across people practices, across social responsibility, across our go-to-market aspirations with AI and our brand, we made good progress in the course of the year. Next page, please.
- Like I said at the beginning, people is our strength. This business is a very people's intensive business. All our differentiation of our capabilities reside in our talent. And we do a lot of work to really nurture and harvest the potential of our talent. Starting from innovation, as you know, we started Sonata Spark, which is our platform to create an internal competition to drive newer ideas from our team members. We encourage team members across the globe to come up with ideas that we can harvest and in return,

reward them and recognize them for the ideas that they bring to the table so we can help our customers or an internal idea that Sonata can benefit internally. And that's a framework that we created about two years back, that framework has gone strength to strength, which is what we call Sonata Spark.

- Secondly, we've been focused on diversity and inclusion. As a company, our gender diversity ratio has been at 31%, which is a pretty good healthy rate that we have been on. And there are several programs across the globe that Sonata drives to encourage wider and inclusive culture in the company.
- Lastly, wellness is an extremely important aspect. Technology industry, we are very mindful of making sure that our wellness of our team members globally is taken care of. So we run several programs in the course of the year. And last year, we had Sonata 5K run, which was a very widely attended event, about 1000 Sonatians attended it in Bangalore. A very high energy event that we were able to orchestrate. Truly pleased with the outcome of that event. Next page, please.
- During the year, we also unveiled our facility. Happened in May but the foundational work of that happened in last fiscal year in Hyderabad, which was inaugurated by Chief Minister of Telangana in May. Very pleased with the facility, the way it has come up. It's a state-of-the-art modern technology setup. And it is being used by some of our most prestigious clients, the team members who work for those clients and they're branded like that. So we're pleased with the progress we made on our facility evolution as well. Next page, please.
- Our performance has been consistent over the last 10 years. Of course, there are some good years, some not so good years but over the trend line basis, on growth in international business, on GC in the domestic business and on PAT basis consolidated, we've made good progress over a period of time. And we're pleased with the direction that we're headed. Clearly, we can do more and we will do more but we're pleased to reflect back on the last 10 year performance of your company, that we're making good progress overall. Next page, please.
- Lastly, from a shareholder return perspective, our EPS for FY25 was 15.3 per share. Our return on capital employed was 23.3% as a company. And we're also delighted to share that FY25 dividend of Rs. 4.40 per share will be disbursed in the month of August this year.
- So that's the presentation from my side. With that, I'll turn it over to you, Sanjay Asher please.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you Samir for your presentation. We will now resume the proceedings of the meeting. We will now take up the following resolutions as set forth in the notice for the

annual general meeting. We will open the floor for questions by members after all the resolutions are tabled before the meeting. Since the resolutions have already been put to vote, there will be no proposing and seconding of the resolution. May I now read out the resolutions which are there in the notice.

- Ordinary business, item number one of the notice, to receive, consider, approve and adopt financial statements for the financial year 24-25, including the consolidated financial statements together with the reports of the directors and auditors which have already been sent to the members.
- Item number two of the notice, to declare final dividend of Rs.4.4 per equity share of Re.1 each, that is to say 440%.
- Item number three of the notice, to appoint Mr. Viren Raheja, who retires by rotation and being eligible, offers himself for reappointment.
- Special business, item number four of the notice, to approve appointment of M/s. GDR and Partners LLP as the secretarial auditors of the company. The text of the said resolutions are provided in the notice, circulated to the members.
- If any registered speaker shareholder desires to ask a question about any of the items, you may please do so now. The members are requested to keep their questions brief and specific. The moderator will facilitate the questions on the video feature. To avoid any repetition, the answers to all the questions will be provided towards the end. Members may also note that the company reserves the right to limit the number of members asking questions, depending on the availability of time.
- May I now request Mr. Arun Kumar Bopanna to kindly proceed with the question, please?
- **Mr. Arun Kumar Bopanna – Shareholder:**
- Hello? Hello?
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes sir, we can hear you. We can hear you.
- **Mr. Arun Kumar Bopanna – Shareholder:**
- Good afternoon everybody and particularly to Srikar Reddy and Shyambhai and Mangal. Welcome to the Chairman, Sanjay Asher. Sir, congratulations on the evolution in a complex digital landscape. And I hope you'll improve EBITDA and PAT margins because we have taken the beating at the stock market. Are there any plans to de-risk over-dependence in any geography? Are you going to Middle East or something or ya, African countries? How are you integrating gen AI and ML and automation into the client's offerings and internal process? Current revenue contribution from Microsoft ecosystems, how do we see that scaling up in 26 to 28 year? Are we building proprietary platforms or reusable assets in verticals like retail, travel and manufacturing? What is our annual R&D

spend as a percentage of revenue? Are we filing patents or launching proprietary platforms in verticals like retail, manufacturing and BFSI? What is the current attrition rate? And how is Sonata ensuring upscaling in AI cybersecurity and Cloud native development? And are we investing in building global delivery centers and new hubs like Vishakapatnam, Coimbatore and Bhubaneswar? What percentage of energy comes from renewable source in future?

- In conclusion, I'm happy Sonata is workplace for winners. Sonata's future lies not in a code but in its character. With this, I wish you all the best. Thank you very much.

- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**

- Thank you Mr. Bopanna for your questions. We will answer the questions at the end of the session, please. Now, we have a question coming in from the next shareholder, Mr. Gautam Kedarprasad Tiwari. Mr. Tiwari, please go ahead with your question.

- **Mr. Gautam Tiwari – Shareholder:**

- Yes sir. You can listen to me and you can see me, sir?

- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**

- Yes, we can see you and we can hear you well.

- **Mr. Gautam Tiwari – Shareholder:**

- Oh, thank you very much, sir. Thank you very much. Our very, very popular, our honorary Chairman Sir. We are very much glad, Mr. Sanjay Asherji, Shyambhaiji, our CEO, MD, Samir Dhir, our CFO, Mr. Jagannathan CN and our CS, Mangal Kulkarni, our associate, Firozaji and all the dignified directors, eminent board of directors and Team Sonata Software Limited, fellow shareholders, myself Gautam Tiwari and I'm participating at this AGM from Mumbai. First of all, I'm very happy with the company's performance because I have been there with you right from day one and I have seen what the company has done to the shareholders, because the way you have rewarded the shareholder right from day one, when the company was just starting, the reward you gave at that time, at that time, a lot of people left but we stayed with you. After that, there was a bum period but after that, the reward you gave, those shareholders who joined you and later also joined you, became extremely rich and wealthy. We really salute you sir, for the best thing that you have given to us all these years. Chairman Sir, I mean, very colorful annual report, robust, strong and 450 pages are very transparent and informative, adhering to all norms of corporate governance and with all facts and figures in place. Investor service is exceptionally outstanding. We have got our secretarial team of Mangal Kulkarni Ji and Feroza Ji, very harmonious, cordial, soft-spoken, polite, with due respect and hospitality and care of all shareholders. All the issues and queries are resolved instantly, pleasantly

and without any delay and precisely when.... even RTA service, Zoom technician, NSDL and moderator service is very good.

- Sir, thank you very much for providing such noble, such very much hardworking and efficient people for the shareholders' disposal for investor service. Sir, entire management is giving very, very better, better and better performance each year ahead. Thanks to each and every member and salute to each and every member of the management for giving such a good result and such a good performance every year. And rewarding the shareholders also precisely, we are unlocking their wealth year after year. Sir, during Pradeep Shah's time tenure, for a long time he was there. Company has progressed very gracefully. We really value his contribution and we wish him all the best. Sir, in your tenure also, we are sure the company is going to do much better and better in the days to come. Sir, a small thing, sir, if I have to ask you a question, it's like showing a lamp to the sky.
- In order to satisfy my anxiety, I would like to ask you, I would like to know, sir, what is the future roadmap of the company for this year and the next, especially in your mind, sir? Sir, how does the company use green energy, water conservation and AI? As you have already explained, besides this, for improvement of our business? Sir, what is the impact of this thing, Trump's tariff modifications, which he has done recently on our business? And when the company intends to reward the shareholders with bonus, sir, you can give us even NCDs for three or two, five years with some 5%, 6% interest, if you wish so. Sir, how many shares and Unclaimed Dividend has been transferred to IEPF and government recently? And sir, I would like to know, what is the attrition rate of top level employees in our company, top level?
- And sir, rest all is very good, sir. Ultimately, I would like to say, sir, day by day, may your happiness be double, triple, multiple. May difficulties stay miles away from you. May God keep you fit always and may all your days in future be a superhit. Finally, I would like to say Sir, *"Phoolon ki khushboo, kaliyon ki bahar, Parmatma Parmeshwar aap ko de safalta baar baar, lagatar aparampar"*. My best wishes to all of you for the upcoming festivals. With this, I would like to wish you all the best. I have already voted for each and every resolution favorably. I support appointments and re-appointments of all directors and we have unwavering trust in you. Our continuous support to the management in our lifetime will continue with you. We are a part of you and not a single share I have sold right from day1, in fact added. I am a very happy and a proud shareholder of yours. We are going to remain with you time and again, not only in this life, all the lives together. Thank you very much once again for the best of your health, very healthy, happy, safe and long life to all the Board and management and all those who are connected with us, all our employees, executives and officers and all shareholders and all the vendors who are connected with us, always and all the time. Once again, thank you very much. The best things that you have given us. With this, thank you and Jai Hind! Vande Mataram, thank you.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**

- Thank you Mr. Tiwari for your kind words. We have noted your questions and we will answer the questions at the end of the session. We now go to the next shareholder, Mr. Anil Mehta please. Could you please go ahead with your questions.
- **Mr. Anil Mehta – Shareholder:**
- Hello! Hello!
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes Sir, we can hear you.
- **Mr. Anil Mehta – Shareholder:**
- Okay. Good afternoon. I'm Anil Mehta, speaking from Mumbai. So I have a few questions.
- My first question is, the company's profitability, revenue, cash flow and debt levels for the next 3 years?
- My second question the company's approach to managing risks such as cybersecurity, climate change and supply chain disruption?
- And the last question does the Board of Directors plan for the future need working capital? If yes, how will it raise it?
- With this, I end my speech over to Chairman Sir for further proceeding.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Mr. Mehta, for your questions. Surely, we will answer the questions at the end of the session. Next shareholder, please. Mr. Mascarenhas.
- **Moderator:**
- Sir, Miss Mascarenhas has not logged on to the meeting. We can now invite Mr. Aspi Besania.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yeah. Mr. Aspi, please.
- **Mr. Aspi Besania – Shareholder:**

- Sir can you see me and hear me?
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, we can see you and hear you.
- **Mr. Aspi Besania – Shareholder:**
- Okay, Chairman sir. I'm Aspi from Bombay.
- Sir, first question is, why no physical AGM? I would prefer to have physical AGM and meet the Directors and know exactly what's happening.
- Sir during the year, our top line has increased quite well but the margins are under squeeze and even the first quarter the top line has increased but margins are under squeeze again. So how do you see margins going forward? Please inform in detail.
- And considering that TCS has laid off so many people, how do you see layoffs in our company?
- Sir and how will tariffs affect us?
- Thank you very much and all the best for the future.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Mr. Besania, for your questions. We will answer the question at the end of the session. May I now go to the next shareholder, speaker, Mr. Praful Chavda, please.
- **Moderator:**
- Sir. shareholder, Mr. Praful Chavda and Mr. Bimal Kumar Agarwal, they are not present in the meeting at the moment. We can now invite Mr. V. Ravichandran for the questions.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, please. Mr. V Ravichandran please.
- **Mr. Ravichandran - Shareholder:**
- Am I audible?

- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, please.
- **Mr. Ravichandran - Shareholder:**
- Good evening Chairman. First of all, let me welcome you to Sonata and good evening to all the other board members and all those who are present in the AGM.
- I will start with my first point is on the conflict of interest, Mr. Viren Raheja and Mr. Srikar Reddy. Mr. Viren Raheja is a board member in Innovassynth Technologies India Limited. I don't know what they are doing, whether they are in competition with Sonata, I do not know, that you may clarify. And Mr. Srikar Reddy is the Executive Vice Chairman, and he is on the board of Palred Technology Limited. That also I do not know, what is the nature of that company's business? Is there any conflict that you may like to clarify?
- See, last year a lot of things were talked about Gen AI and this year we are talking about AI. The shift from Gen AI to AI. Was there any loss incurred by Sonata? If so, the quantum may please be clarified.
- My next point is on the....see the earlier Chairman, he committed certain things, achieving 1 billion revenue and bonus and all. And he had fulfilled. There was a plan to move to \$2 billion revenue also. Is there any plan to move to the next billion-dollar revenue? That you can clarify.
- And on the dividend, last year interim dividend was not paid. I think as far as I know, I have not seen interim dividend being stopped. Maybe one once or twice it would have happened in the past, but I don't recall any such stoppage. See like you have declared 1.25 for the current year. You could have given a nominal amount as interim dividend. So the history would have been continued. So I request the company to not to stop whatever has been happening, whatever be the difficulties. So that the history can be maintained.
- And the EPS is 15.3 this year, whereas the payout is just 4.4. When I compare it with last year, last year the EPS was 11.12, whereas the payout was ₹7.9. So compared to last year, you know this year the EPS is higher but the payout is much lower. I don't know the reasons.
- And is there any specific achievement by the CEO for his salary increase of 107%. That also you can clarify.
- And corporate guarantee, two years back I raised this point. I was told that it is temporary and it will be withdrawn. They will become self-sufficient. But I find still Rs. 347 crores of

corporate guarantees given to settle. So that also you can clarify whether this is going to continue and what are the downsides for Sonata, the holding company?

- And on the accounts, see less than 6 months trade receivable increase by Rs. 100 crores. I don't know the reason. And next is trade payables in page number 316. Rs. 310 crores, less than one year, not paid. That also you can clarify.
- And there is one item in other expenses, in-sourcing professional fees. It has increased to Rs. 515 crores from compared to last year. So what is that? This is for my understanding. What is that, you can clarify?
- And I have been complaining about this for the last 3 years, but the accounting function doesn't seem to bother about these mistakes. You know, in page number 200, this IT assets they are reported as Rs. 72.79 crores, whereas the schedule which is referred to 16 A shows an amount of Rs. 21 crores.
- And the next is current tax in page number 278, is Rs. 49.26 crores, whereas the note number 19 shows Rs. 148.99 crores in page number 317. So these kind of mistakes, I have been pointing out, but the accounting fraternity within Sonata doesn't seem to bother. You know, these are all things which could have been attended to. Somebody has pointed out. Last year there were lots of other mistakes also. I didn't get into all those details, but somebody could have noted and taken care. See it is more of a presentation, you know. So anyone who reads the annual report should be able to understand it better than what is presented. We should not get confused. This was the idea of my pointing out. But your accounting function doesn't bother about this at all, and statutory auditors are also sitting, but they are also not taking care of this while signing. I don't know. Before concluding, I just have 2 suggestions.
- One is on the advance publication of results. So you take, 38 to 40 days for publishing the quarterly results. Good companies they publish. So once upon a time Infosys used to publish it first, then its place was taken over by TCS. So good corporates, you know if you are moving to the next billion dollar, you should also try to advance the publication of results.
- And second is, this AGM should be conducted in the morning so that shareholders can have more time. These two are my suggestions.
- And third point is on the dividend payout, most of the companies, see last year I attended BPCL AGM, I was shocked, you know, in the evening my dividend got credited. All Tata companies, they pay the dividends either on the next day or the third day. But Sonata, consistently takes 2 to 3 weeks. I don't know, record date has been fixed, list of shareholders eligible for dividend, quantum of dividend, everything has been worked out.

But why the company takes 2 to 3 weeks to disburse its dividend, I do not understand. These are not practiced by good companies.

- Sir, I wish you all the best. And I hope under your leadership, the company will prosper well. Thank you.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Mr. Ravichandran for your question and concern. We will answer them at the end of the session. I understand that Ms. Mascarenhas has now joined. May I please request Ms. Mascarenhas to speak?
- **Ms. C.E. Mascarenhas - Shareholder:**
- Hello, am I audible?
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, you are.
- **Ms. C.E. Mascarenhas - Shareholder:**
- Hello!
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, you are audible, ma'am.
- **Ms. C.E. Mascarenhas - Shareholder:**
- Audible and visible also?
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Yes, yes. You are.
- **Ms. C.E. Mascarenhas - Shareholder:**
- Respected Chairman, other members of the board, my dear fellow shareholders, I am Mrs. C.E. Mascarenhas speaking from Mumbai. First of all, I thank the company secretary and his team for sending me an annual report and also registering me as a speaker at my request and giving me this platform to speak, which was very easy to operate.

- I am very happy, very good working, good market capitalization. This company, especially Sonata, has been always rewarding at the right time. Now, congratulations for all the awards and accolades received, very good CSR work, good ESG.
 - I would like to know, have we rated the ESG? If so, what is our score?
 - Who is our main competitor, domestic and global?
 - What are the challenges we will face or we will be facing due to Trump tariff and how we will de-risk our same?
- As my previous shareholder has asked many questions and many will be answered afterwards, I thank you very much for giving me this opportunity to speak and wish you and the entire team very good health, as health is wealth and also a very festive season, wishing all the festive seasons which will be following shortly after. With this, thank you very much. God bless our company. *Namaskar.*
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Mrs. Mascarenhas. If all the speakers have completed their turn, may I now please request Mr. Samir Dhir to answer the questions, please?
- **Mr. Samir Dhir – MD & CEO, Sonata Software Limited:**
- Sure. Thank you, Sanjay Bhai. So, first of all, thank you for all the shareholders for your questions, your feedback and suggestions and some of the points that you want us to learn from. I think we have made a note of it. Your feedback is duly taken and I think some of the topics that you felt have continued from last year, they have repeated this year, Mangal and team will reach out back to you and make sure those are addressed directly with you as well. So, I just want to start with that first.
- In terms of the question, I think I'm going to pick up the repeated question that came up and go in that order. I think there was several of the shareholders had questions around the impact of the tariffs on our business. So, let me start there.
- Clearly, tariffs had an impact on economy on a global scale, as you can fully imagine. Across industries, the impact has been felt but particularly, the biggest impact has been felt in retail and manufacturing sector. As you know, the retail manufacturing sector, especially the brick and mortar retail manufacturing operate at a very thin margin. From our customers' point of view, they operate between 3% to 5% EBITDA. And each of these companies have had anywhere between 10% to 15% of impact because of the tariffs. So, most of these companies, which are profitable companies, became almost overnight non-profitable companies. So, that had an impact on our business as well because retail

manufacturing historically has been a very strong sector for Sonata. That had definitely had an impact on us and in a wider sense. And beyond that, in the most recent one big beautiful bill, the Medicaid has been cut significantly. So, we do expect in coming months and quarters, there will be an impact on the health insurers and insurance industry in general because of some of the fallouts of that. So, that's on the negative side.

- But also on the positive side, there is definitely a conversation, as you well know, of the FED probably reviewing the interest rate. And if that happens, that could probably have a positive influence as well. So, in many ways, it has, the tariff impact has had a negative impact so far, I would say, in the last couple of quarters. But as we look forward, we think things will stabilize and much like with industry, Sonata will also follow the trend of performance in those sectors that we are present in. Specifically, as it pertains to Sonata, I think our impact has been highest in retail manufacturing. We've been relatively insulated in the tech industry, relatively insulated in the banking industry and healthcare industry because of tariffs per se. That's sort of the first question that I think many of the shareholders had.
- I'll pick up the second question, which was around our plans from an AI perspective. I think we are continuing to invest in AI. It's an evolving technology. As we move forward, I think in the next two to three years, the technology will evolve furthermore. And hence, the adoption will evolve furthermore. But we are determined, we are committed to make sure that Sonata rides the AI wave out. And every effort is being made by your management team, your team members across the globe to make sure that we don't miss that opportunity as a company. And that effort has 3 parts.
 - Part one, we're making sure that we implement the best practices of AI within Sonata. So we become an AI company ourselves internally. And there's significant effort that we are spending, including help from some of our partners, to implement the latest and greatest AI technology within Sonata.
 - The second part of that is to really sharpen our offerings to make sure that we can provide the best solution to our customers. Very recently, we launched AgentBridge, which is our Agentic solution to be implemented for our customers. And we're very proud of the initial moment that we have seen of AgentBridge adoption for our customers, which is much in line with our Harmony.AI suit that we launched a couple of years back. So in general, all the investment IPs that we're building, the frameworks that we're building, are beginning to resonate with our clients. And in the most recent quarter, as you know, we announced nearly about 8 million worth of auto booking in AI. And that's a hallmark of our progress and from an AI perspective. We also believe AI is an ecosystem play. No one company can say they can do everything. So we're humble that way and we have partnered on one end with the product companies like Microsoft and AWS. And other end with the academia, in the US, we have partnered with Wharton University and here in Bangalore with IISc to continue to learn from outside and make sure that we can get benefit from an ecosystem

of technology companies, the academia, so we can get the best of the breed for our customers and our internal adoption.

- There was a question on Microsoft ecosystem. I think it's a very interesting question. In general, our Microsoft ecosystem as a company, and this is both SITL and SSL together, is somewhere between 60% to 75% of our business comes from Microsoft, either sell to or sell with. And I think that has been the metric for my past many, many years. But what is noticeable is that in the recent years, we have changed the colour of that revenue. So now that revenue has a significant part or at least a part of AI coming into it, which is something that we did very consciously. We are implementing AI for Microsoft as a client, and we're implementing AI with Microsoft for other customers.
- The second part of the change that we have done is, as you probably noted in my presentation earlier, we have moved from a dynamics heavyweight to dynamics plus data heavyweight now. So a lot of the work that Sonata does today also includes data platforms, which is fabric platforms of Microsoft, and other data technologies of Microsoft, including Power BI, that we take to market now with them. So I think the colour of revenue has changed, but the overall number has been between, I would say, 60% to 75%.
- To the question around how will it shape go forward, we believe that number will probably remain in that vicinity even the next two to three years' time. But the distribution of the number with a higher preponderance of data and higher preponderance of AI will definitely be more visible as we move forward.
- There was this question on a solution in IP. I think I briefly mentioned AgentBridge and Harmoni.AI are two leading IPs that we built on AI. Beyond that, the lightning tools that we have built from an engineering perspective, those tools have been built over the years by a CTO organization, Raj is on the call. We're very proud of those tools and technology that we've built, and we're taking those tools and technologies to our customers to continue to differentiate as a company. We are a services company. We don't see IP as a leverage point, but we only see IP from a point of differentiation in the market. So we'll continue to invest in IP so that we can differentiate vis-a-vis other IT services firms and continue to win more market for Sonata and its shareholders.
- There was a question around attrition rate. For last fiscal year, our attrition rate was 16% all-in. And a rejoinder question was, what's the attrition rate at the top level? Our attrition at the top level is not very high. Our SM attrition is in single digit. It hovers between 6% to 9% annually. We see a lot more attrition at the bottom of the pyramid, but that's really how we are managing attrition.
- But beyond attrition, I think we have been very proud that every time we have done a survey internally, most of the Sonatians say, Sonata is second home to them, which I think is a great testimony of the culture that a generation of leaders have built in Sonata, and

we are very proud. And I'm personally very grateful to have an opportunity to service a company which has that culture that many people believe this is a second home for them. And our every endeavour is to continue to build that culture and sustain that feeling in the Sonatians globally.

- There was a question on R&D spend. Let me qualify that. We have always talked about, since at least I have come three years back on board, that we'll spend 1.5% to 2% of our annual revenue on our investment areas, which goes into our spend in investments in newer verticals, specifically healthcare and banking. It also goes into newer areas like AI and the tools that we're building around that, now most recently around Agentic. So we carve out a lot of money that we continue to invest every year, and we dial up and dial down the areas that are working well and not working well. Of course, invest in areas that are working well for Sonata and use that money very judiciously, so we can continue to maximize the shareholder value from the investment that we're making.
- I'll take a break and I'll turn it over to Jagan for some questions. I think there were some questions around bonus shares. There were some questions around our CSR. So Jagan, if you want to take that, and I'll then come back and take few more questions.
- **Mr. Jagannathan CN – CFO, Sonata Software Limited:**
- Yeah. The bonus shares, we have already considered two times a bonus share. The first was 1:3, two years back, and last year was 1:1. We will continue to consider based on the future performance. We are always open to consider a periodical check on this bonus issue. Last time, we backed up a couple of two years back to back only because this has not been done in the past. We continue to do, and the first time when we did 1:3, they requested for more. Hence, we did the 1:1 issue. We'll wait for a couple of years and then see based on the performance; we will take this up separately.
- On the CSR spend, we continue to spend on CSR. We have a focus area, D&I, and technical education is our focus area. We have tied up with many of the organizations who pass on the technical knowledge or D&I space, or many of these services, what we try to offer is to give a technology solution to the companies rather than just a money contribution, because we wanted our employees to be part of our journey in the CSR space. Hence, we have opted for this option of working on technology solution, where our employees participate to do the CSR for the organization. We will continue to invest on this. We are engaged in a few of the projects around Bangalore, some of the companies in the region of Bangalore and Hyderabad, and also in Chennai, where our offices exist, and we will continue to focus on doing the CSR activities in this space as per the regulation.
- **Mr. Samir Dhir – MD & CEO, Sonata Software Limited:**

- Thank you, Jagan. There are two more questions. I just want to take a pit stop to make sure I don't miss out any critical questions.
- There was a question around new delivery centers and our strategy around that, especially in cities outside that we are operating in. As you know, in India specifically, we operate in multiple cities, and our region cities is where the talent availability is higher, and we are really doubling down in many ways in Bangalore, Chennai, and Hyderabad for our talent requirements for the near and mid-term. As we move forward and scale the company, as we get to a bigger and bigger platform and make Sonata a scale bigger and bigger, we will of course consider several other Tier 2 cities that we have in the geography in the country. But right now, we believe the cities that we are operating in are sufficient for our immediate requirements. So, in the near future, we don't expect to open any Tier 2 cities at this point in time. But as we scale the platform, that's something that we evaluate every year based on the requirements, based on the availability of talent and the skills that are available in multiple cities. So, that's absolutely an annual exercise that we consider.
- There was a question on dividend payout. I just want to clarify. I think for this year, the board has authorized us to do quarterly dividend payouts. I think we announced that in the earnings call yesterday, and that will be the case for this fiscal year. That's been authorized by the board. I just want to share that with the shareholders as well. And maybe, Jagan, you want to add something to that?
- **Mr. Jagannathan CN – CFO, Sonata Software Limited:**
 - The dividend, what we are considering is both for interim and final dividend. Final dividend is being declared now once the AGM ends; the process will start. We will revisit the suggestion on dividend payment timeline. We will work on this with our supporting agencies and see how best we can pay the dividend quickly to the shareholder.
 - The second is, as Samir mentioned, we will initiate the quarterly interim dividend payment from this year.
- **Mr. Samir Dhir – MD & CEO, Sonata Software Limited:**
 - There's one last question. It is in my list that maybe two questions that I should answer. One is, there was a question on geo-dependence as to what our strategy is. I just want to reiterate, as you know, we have two businesses, SITL and SSL. SITL business is entirely and fully focused on India geography, and we are continuing to focus on that. I think, so this team and the entire SITL team is doing an excellent job to make sure that we maximize shareholder value by our very laser focus from an India geography perspective to maximize shareholder returns from there.

- From an international business perspective, we have called out 5 geographies, North America, UK and Europe, Singapore and Australia, New Zealand, and in addition to India are the five geographies that we are focused on. We believe in the inch wide and mile deep philosophy. We want to do a few geographies and do them well rather than spread the bets too far out. So at this point in time, again, from the scale that we are in, we are happy with the inch wide and mile deep philosophy. These 5 geographies will serve us and Sonata well, and we are absolutely resolute in our belief that the strategy we have taken is the maximum return from capital perspective, maximization strategy, and these markets have tremendous potential, and we want to maximize them in the geographies and the verticals that we are presenting.
- There was a question on what is our strategy to improve our margins? I think there are multiple steps being taken. Clearly, last year, we are not very proud of the margin accomplishment we had as a company. So we are taking a lot of corrective actions, starting from driving operational efficiencies. Suresh, who is probably on the call, leads our delivery organization, is focused on making sure that we optimize our delivery spend and return better gross margin capability for the company. We're also leveraging help from some of the partners to make sure that we optimize our internal spends and GNA functions. So a lot of activity and focus. And really underpinning all this is to really make sure that we put an infrastructure from a technology platform perspective. And these are not point in time activities, but these are sustained margin improvement initiatives is what we're focused on. And we have initiated a programme called Programme Edge internally to really revamp our internal IT infrastructure, our internal AI tooling. And as we get through that process in the next one to two years' time, we believe we would have created a very scalable engine to make sure that the efficiencies are accrued over a period of time. These are long haul programmes, but we have started a journey about a couple of quarters back. We're well in our way and as we move forward, we should start to see some benefit coming out of those Programme Edge as well.
- With that, I don't have any more questions. Sanjay bhai, if you want to pick up something else from your side.
- **Mr. Sanjay Asher – Chairman, Sonata Software Limited:**
- Thank you, Samir, for the answers.
- There was one question on the CEO salary. The CEO salary or remuneration payable to CEO is more particularly mentioned in page 132 under the heading Corporate Governance Report. Now, the remuneration paid or payable to CEO includes a variable pay for the financial year '23-24, which was payable only upon the fulfilment of certain conditions and which was paid in financial year '24-25. And for '24-25, the previous year's salary does not include the variable pay.

- With this, all the questions have been answered.
- Members may note that the voting on the NSDL platform will continue to be available for the next 15 minutes. Therefore, the members who have not cast their votes yet are requested to do so, please. The board has also appointed Mr. M.V. Bhat, Practicing Company Secretary, to act as a scrutinizer to supervise the e-voting process. The combined results of the remote e-voting and the e-voting done at the meeting today will be declared on receipt of scrutinizer's report and will be placed on the company's website and submitted to the stock exchange as per the requirement of SEBI LODR regulations. Further, I authorise Mangal Kulkarni, the Company Secretary, to declare the results of the voting and place the results on the website and the registered office of the company.
- On behalf of the Board of Directors and Management of Sonata, thank you all for attending this meeting and I hereby declare the proceedings of the Annual General Meeting as closed.
- Thank you very much once again.
- ***E-voting is in progress***

END OF TRANSCRIPT
