

## **SONATA SOFTWARE LIMITED**

**Dear Shareholders,**

I hope all is well with you. As we continue to build on our momentum, we remain grateful for your confidence and commitment.

We are pleased to share with you the report for Q1'26.

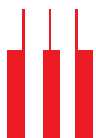
Commenting on the Q1 performance, Mr. Samir Dhir, MD & CEO of Sonata Software, said: "International IT Services Q1 marked steady progress with revenue growth of 0.6% QoQ. We secured three large deals - two in BFSI and one in TMT - underscoring our focus on large deals and execution strength. Our focused investments in Healthcare and BFSI have scaled from 13% to 32% of revenue over three years, validating our diversification strategy. As clients accelerate modernization to stay competitive, we remain confident in our long-term growth trajectory."

Mr. Sujit Mohanty, MD & CEO of Sonata Information Technology Limited, added: "We gained new clients in cloud and data protection services. Our continued investments and partnerships with leading cloud providers position us well to grow revenue from cloud-managed services in the coming quarters."

With Best Wishes,

**Samir Dhir**  
Managing Director & CEO  
DIN- 03021413

**Jagannathan C N**  
Chief Financial Officer



## Quarterly Report to Shareholders.

### Performance Highlights for Q1'26:

- **International IT Services:**

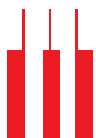
- In USD terms, revenue for Q1'26 stood at \$81.8 million, showing a growth of 0.6% QoQ and in CC terms, showing a decline of 0.9% QoQ.
- In Rupee terms, revenue for Q1'26 stood at ₹699.9 crores, showing a decline of 0.3% QoQ.
- EBITDA (before other income and forex) for Q1'26 stood at 16.6%, showing a growth of 0.1bps QoQ.
- PAT for Q1'26 stood at ₹70.7 crores, showing a growth of 13.5% QoQ
- DSO stood at 62 days in Q1'26, compared to 61 days in Q4'25.
- ROCE stood at 14.7% in Q1'26, compared to 16.3% in Q4'25.
- RONW stood at 20.9% in Q1'26, compared to 19.3% in Q4'25.
- 7 new customers were added during the quarter.

- **Domestic Products & Services:**

- Revenue for Q1'26 stood at ₹2274.7 crores, showing a growth of 18.6% QoQ.
- Gross contribution for Q1'26 stood at ₹68.5 crores, showing a decline of 12.6% QoQ.
- EBITDA (before other income and forex) for Q1'26 stood at ₹44.0 crores, showing a decline of 22.1% QoQ.
- PAT for Q1'26 stood at ₹38.6 crores, showing a decline of 14.6% QoQ.
- DSO stood at 63 days in Q1'26, compared to 46 days in Q4'25.
- ROCE stood at 33.6% in Q1'26, compared to 43.2% in Q4'25.
- RONW stood at 32.5% in Q1'26, compared to 47.7% in Q4'25.

- **Consolidated:**

- Revenue for Q1'26 stood at ₹2,965.2 crores, showing a growth of 13.3%.
- EBITDA (before other income and forex) for Q1'26 stood at ₹159.6 crores, showing a decline of 7.6% QoQ.
- PAT for Q1'26 stood at ₹109.3 crores, growth of 1.7% QoQ.
- Cash and cash equivalents (gross) stood at INR 600 Crs. and (net) stood at negative ₹ 62.5 Crores in Q1'26.
- ROCE stood at 18.5% in Q1'26, compared to 21.9% in Q4'25.
- RONW stood at 24.0% in Q1'26, compared to 25.2% in Q4'25.
- ~ 6850+ Sonatians as of June 30, 2025.



## Key Financial Metrics & Ratios

### International IT Services

(₹ Crore)	Q1 FY2026	Q4 FY2025	Q1 FY2025	Q-o-Q	Y-o-Y
Revenue	699.9	702.3	687.8	(0.3%)	1.8%
EBITDA*	115.9	115.7	128.8	0.2%	(10%)
Net Profit	70.7	62.3	65.2	13.5%	(8.5%)

Key Ratios	Q1 FY2026	Q4 FY2025	Q1 FY2025
Effective Tax Rate (%)	30.1%	30.9%	25.4%
Net Profit Margin^ (%)	9.9%	8.8%	9.3%
DSO (Days)	62	61	59

### Domestic- Products & Services

(₹ Crore)	Q1 FY2026	Q4 FY2025	Q1 FY2025	Q-o-Q	Y-o-Y
Revenue	2274.7	1918.2	1849.4	18.6%	23.0%
EBITDA	44.0	56.5	47.3	(22.1%)	(7.1%)
Net Profit	38.6	45.2	40.5	(14.6%)	(4.6%)

Key Ratios	Q1 FY2026	Q4 FY2025	Q1 FY2025
Effective Tax Rate (%)	25.6%	25.4%	25.7%
Net Profit Margin (%)	1.7%	2.3%	2.2%
DSO (Days)	63	46	65

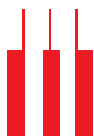
### Consolidated

(₹ Crore)	Q1 FY2026	Q4 FY2025	Q1 FY2025	Q-o-Q	Y-o-Y
Revenue	2965.2	2617.2	2527.4	13.3%	17.3%
EBITDA	159.6	172.7	176.2	(7.6%)	(9.4%)
Net Profit	109.3	107.5	105.6	1.7%	3.5%
Diluted EPS* (Rs.)	3.94	3.87	3.81	-	-

\*EBITDA (Before Other income)

Note:

\*EPS is not annualized



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Part I

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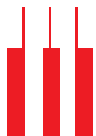
₹ in lakhs, except per share data

Statement of unaudited consolidated financial results for the quarter ended June 30, 2025

Sl No.	Particulars	Quarter ended		June 30, 2024	Year ended March 31, 2025
		June 30, 2025	March 31, 2025		
		(Unaudited)	(Refer Note 5)	(Unaudited)	(Audited)
1	Revenue from operations	296,518	261,720	252,743	1,015,725
2	Other income	2,422	1,121	1,887	7,115
3	Total Income (1 + 2)	298,940	262,841	254,630	1,022,840
4	Expenses				
	(a) Purchase of stock-in-trade (traded goods)	222,759	188,958	180,566	703,106
	(b) Changes in inventories of stock-in-trade	(1,903)	(2,636)	(1,841)	5,076
	(c) Employee benefits expense	41,804	41,937	36,924	159,767
	(d) Finance costs	508	1,009	2,002	6,525
	(e) Depreciation and amortization expense	2,608	2,303	3,327	12,149
	(f) Other expenses	17,893	16,195	19,478	78,851
	Total expenses	283,669	247,766	240,456	965,474
5	Profit before tax (3 - 4)	15,271	15,075	14,174	57,366
6	Tax expense				
	(1) Current tax	5,315	3,727	5,120	17,285
	(2) Deferred tax	(978)	595	(1,509)	(2,386)
	Total tax expense	4,337	4,322	3,611	14,899
7	Profit for the period (5 - 6)	10,934	10,753	10,563	42,467
8	Other comprehensive income				
	(1) Items that will not be reclassified to profit/(loss)				
	(a) Remeasurement of the defined benefit plans	(153)	(174)	525	(56)
	(b) Equity instruments through other comprehensive income	-	(649)	(249)	(938)
	(c) Income tax relating to items that will not be reclassified to profit/(loss)	39	44	(132)	14
	(2) Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	51	77	172	488
	(b) The effective portion of gains/ (losses) on hedging instruments in a cash flow hedge	644	527	659	(389)
	(c) Income tax relating to items that will be reclassified to profit/(loss)	(175)	(152)	(209)	(25)
	Total	406	(327)	766	(906)
9	Total comprehensive income for the period (7 + 8)	11,340	10,426	11,329	41,561
	Of the total comprehensive income above, profit for the period attributable to:				
	Owners of the Company	10,934	10,753	10,563	42,467
	Non - controlling interest	-	-	-	-
		10,934	10,753	10,563	42,467
	Of the total comprehensive income above, other comprehensive income for the period attributable to:				
	Owners of the Company	406	(327)	766	(906)
	Non - controlling interest	-	-	-	-
		406	(327)	766	(906)
	Of the total comprehensive income above, total comprehensive income attributable to:				
	Owners of the Company	11,340	10,426	11,329	41,561
	Non - controlling interest	-	-	-	-
		11,340	10,426	11,329	41,561
10	Paid-up equity share capital (Face Value ₹ 1/-)	2,777	2,776	2,776	2,776
11	Other equity (Refer Note 6)	167,818	167,818	137,854	167,818
12	Earnings / (loss) per equity share (of ₹ 1/- each) (Refer Note 4)				
	(a) Basic (in ₹)	3.94	3.87	3.81	15.30
	(b) Diluted (in ₹)	3.94	3.87	3.80	15.28
	See accompanying notes to the consolidated financial results				

**Note:** This report is for information purposes. Green Initiative is an effort of the Government of India which aims at reducing paper consumption thereby contributing to a greener environment. In harmony with that we are circulating this over email to shareholders who have updated their e-mail addresses with the Depository Participant.

You are requested to update/intimate the email address (E-mail ID) and any change in the email address with the Depository Participant.



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