



SONATA SOFTWARE LIMITED



7th August, 2019

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai

Kind Attn: Manager, Listing Department

Email Id: neaps@nse.co.in

Stock Code - SONATSOFTW

Dear Sirs,

BSE Limited

P.J. Towers, Dalal Street

Mumbai

Kind Attn: Manager, Listing Department

Email Id: listing.centre@bseindia.com

Stock Code - 532221

Sub: OUTCOME OF BOARD MEETING

Ref: DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

With reference to the above, we wish to inform you that the Unaudited Financial Results for the quarter ended 30th June, 2019 were considered and adopted by the Board in the meeting held on 7th August, 2019.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2019 together with Limited Review Report from our Statutory Auditors. The meeting of the Board of Directors of the Company commenced at 1.00 p.m. and concluded at 02.40 p.m.

A copy of the press release is enclosed for your reference.

Also note that the aforesaid information will be available on our website www.sonata-software.com

Kindly take the same on record.

Thanking you,

Yours faithfully

For **Sonata Software Limited**

P Srikar Reddy

Managing Director & CEO

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

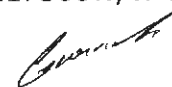
**TO THE BOARD OF DIRECTORS OF
SONATA SOFTWARE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SONATA SOFTWARE LIMITED** ("the Company"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 19110128 AAAA CD3044

Mumbai, August 7, 2019

SONATA SOFTWARE LIMITED

Registered Office: 208, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030
 Corporate Office: 1/4, A.P.S Trust Building, Bull Temple Road, N.R. Colony, Bangalore - 560 019
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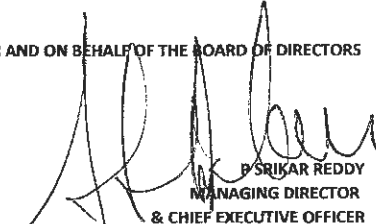
(₹ in lakhs, except per share data)

Statement of unaudited standalone financial results for the quarter ended June 30, 2019					
Sl No.	Particulars	Quarter ended		Year ended	
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
1	Revenue from operations	20,877	21,907	19,245	82,933
2	Other income	1,013	288	452	1,768
3	Total Revenue (1 + 2)	21,890	22,195	19,697	84,701
4	Expenses				
	(a) Purchases of Stock-in-trade	1,480	1,162	1,312	4,651
	(b) Employee benefits expense	11,122	10,712	9,205	40,466
	(c) Finance costs	277	-	1	8
	(d) Depreciation and amortization expense	503	160	136	613
	(e) Other expenses	3,301	4,003	3,305	15,075
	Total expenses	16,683	16,037	13,959	60,813
5	Profit before exceptional items and tax (3 - 4)	5,207	6,158	5,738	23,888
6	Exceptional item				
	- Interest income on income tax refund	-	-	49	49
7	Profit before tax (5 + 6)	5,207	6,158	5,787	23,937
8	Tax expense				
	(a) Current tax	1,332	1,951	1,691	7,210
	(b) Deferred tax	159	(275)	(197)	(516)
9	Profit for the period (7 - 8)	3,716	4,482	4,293	17,243
10	Other comprehensive income				
	1 (a) Items that will not be reclassified to profit or (loss)	(203)	66	142	(22)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	58	(30)	(36)	6
	2 Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	(124)	34	(104)	(99)
	(b) Exchange differences on forward cover	45	704	(532)	1,721
	(c) Income tax relating to items that will be reclassified to profit or (loss)	23	(117)	163	(454)
	Total	(201)	657	(367)	1,152
11	Total Comprehensive Income for the period (9 + 10)	3,515	5,139	3,926	18,395
12	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,038	1,039
13	Other equity (Refer Note 6)	52,276	52,276	48,105	52,276
14	Earnings per equity share (of ₹ 1/- each) (Refer Note 5)				
	(a) Basic	3.58	4.32	4.14	16.59
	(b) Diluted	3.58	4.31	4.13	16.58
	See accompanying notes to the financial results				

Notes:

- These quarterly unaudited standalone financial results are prepared in accordance with Indian Accounting Standards applicable as per Sec 133 of the Companies Act, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 7, 2019.
- The Company publishes unaudited standalone financial results along with unaudited consolidated financial results. In accordance with Ind AS 108 Operating Segments, the Company has disclosed the segment information in the unaudited consolidated financial results.
- The figures for the quarter ended March 31, 2019 are balancing figures arrived at based on audited results of the full financial year ended March 31, 2019 and year to date unaudited figures for nine months ended December 31, 2018.
- The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which Right-of-use (ROU) asset has been measured at the present value of the remaining lease payments discounted using incremental borrowing rate with corresponding lease liability. On transition to Ind AS 116, the Company recognised ROU assets of ₹ 9,385 lakhs, net investment in sub-lease of ₹ 346 lakhs and a lease liability of ₹ 9,489 lakhs. Accordingly lease rent equalization on the date of transition amounting to ₹ 558 lakhs (net of tax) is transferred to retained earnings.
- EPS for quarterly periods is not annualised.
- Balances for the quarter ended June 30, 2019 and June 30, 2018 represents balance as per the audited balance sheet for the year ended March 31, 2019 and March 31, 2018 respectively as required by SEBI (Listing and other disclosure requirements) regulations, 2015.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


P SRIKAR REDDY
 MANAGING DIRECTOR
 & CHIEF EXECUTIVE OFFICER

Place : Mumbai
 Date : August 7, 2019



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

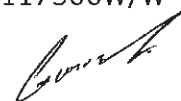
TO THE BOARD OF DIRECTORS OF SONATA SOFTWARE LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SONATA SOFTWARE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. The Statement includes the results of the Parent and subsidiaries as given in the Annexure of this report.
4. Based on our review conducted and procedures performed as stated in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gurvinder Singh
Partner

(Membership No. 110128)

UDIN: 19110128AAAAAC4571

Mumbai, August 7, 2019

Annexure to the Auditor's Report

List of Subsidiaries:

1. Sonata Information Technology Limited
2. Sonata Software North America Inc. ("SSNA")
3. Rezopia Inc. (Merged with SSNA with effect from June 14, 2019)
4. Halosys Technologies Inc. (Merged with SSNA with effect from June 14, 2019)
5. Interactive Business Information Systems Inc.
6. Sonata Software GmbH
7. Sonata Software FZ LLC
8. Sonata Europe Limited
9. Sonata Software (Qatar) LLC
10. Scalable Data Systems Pty Ltd
11. Sopris Systems LLC

4

SONATA SOFTWARE LIMITED

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(₹ in lakhs except per share data)

Statement of unaudited consolidated financial results for the quarter ended June 30, 2019

Sl No.	Particulars	Quarter ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
1	Revenue from operations	87,463	83,555	68,832	296,090
2	Other income	1,678	749	785	2,725
3	Total Income (1 + 2)	89,141	84,304	69,617	298,815
4	Expenses				
	(a) Purchase of Stock-in-Trade (Traded goods)	55,583	51,572	41,906	178,036
	(b) Employee benefits expense	16,145	15,251	13,205	56,886
	(c) Finance costs	382	71	67	339
	(d) Depreciation and amortisation expense	895	401	290	1,274
	(e) Other expenses	6,774	7,890	6,386	27,607
	Total expenses	79,779	75,185	61,854	264,142
5	Profit before exceptional items and tax (3 - 4)	9,362	9,119	7,763	34,673
6	Exceptional item				
	- Interest income on income tax refund	-	91	186	276
7	Profit before tax (5 + 6)	9,362	9,210	7,949	34,949
8	Tax expense				
	(a) Current tax	2,486	3,170	2,522	11,045
	(b) Deferred tax	171	(495)	(314)	(984)
9	Profit for the period (7 - 8)	6,705	6,535	5,741	24,888
10	Other comprehensive income				
	1 (a) Items that will not be reclassified to profit or (loss)	(194)	76	151	(22)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	55	(22)	(42)	11
	2 Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	(461)	285	(310)	(76)
	(b) Exchange differences on forward cover	52	909	(637)	1,665
	(c) Income tax relating to items that will be reclassified to profit or (loss)	102	(201)	263	(348)
	Total	(446)	1,047	(575)	1,230
11	Total Comprehensive Income for the period (9 + 10)	6,259	7,582	5,166	26,118
	Of the Total Comprehensive Income above, total comprehensive income attributable to:				
	Owners of the parent	6,259	7,582	5,190	26,156
	Non - controlling interest	-	-	(24)	(38)
		6,259	7,582	5,166	26,118
	Of the Total Comprehensive Income above, Profit for the period attributable to:				
	Owners of the parent	6,705	6,535	5,765	24,926
	Non - controlling interest	-	-	(24)	(38)
		6,705	6,535	5,741	24,888
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:				
	Owners of the parent	(446)	1,047	(575)	1,230
	Non - controlling interest	-	-	-	-
		(446)	1,047	(575)	1,230
12	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,038	1,039
13	Other equity (Refer Note 8)	75,787	75,787	64,293	75,787
14	Earnings per equity share (of ₹ 1/- each) (Refer Note 7)				
	(1) Basic	6.45	6.29	5.55	23.99
	(2) Diluted	6.45	6.29	5.55	23.97
	See accompanying notes to the Consolidated financial results				



Notes:

- These quarterly unaudited consolidated financial results are prepared in accordance with Indian accounting standards applicable as per Sec 133 of the Companies Act, 2013, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 7, 2019.
- Unaudited consolidated financial results include financial results of subsidiaries i.e, Sonata Information Technology Limited, Sonata Software North America Inc. (SSNA), Interactive Business Information Systems Inc. (IBIS), Sonata Software GmbH, Sonata Europe Limited, Sonata Software FZ-LLC , Sonata Software (Qatar) LLC, Scalable Data Systems Pty Ltd and Sopris Systems LLC.
- The figures for the quarter ended March 31, 2019 are balancing figures arrived at based on audited results of the full financial year ended March 31, 2019 and year to date unaudited figures for nine months ended December 31, 2018.
- During the quarter, Subsidiaries of SSNA viz. Halosys Technologies Inc. and Rezopia Inc., got merged with SSNA effective June 14, 2019. The merger is in the nature of business combination of entities under common control as per Ind AS- 103 Business Combinations and accounted as per pooling of interest method.
- The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which Right-of-use (ROU) asset has been measured at the present value of the remaining lease payments discounted using incremental borrowing rate with corresponding lease liability.
On transition to Ind AS 116, the Group recognised ROU assets of ₹ 11,219 lakhs, net investment in sub-lease of ₹ 258 lakhs and a lease liability of ₹ 11,235 lakhs. Accordingly lease rent equalization on the date of transition amounting to ₹ 582 lakhs (net of tax) is transferred to retained earnings.
- The consolidated segment wise revenue, results and capital employed for the three months ended June 30, 2019 are as follows :

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Unaudited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited)
1. Segment revenue				
a. India	48,911	51,762	42,544	179,441
b. Other than India	38,959	32,307	26,877	119,020
Total	87,870	84,069	69,421	298,461
Less : Inter segment revenue	(407)	(514)	(589)	(2,371)
Revenue from operations	87,463	83,555	68,832	296,090
2. Segment results				
a. India	1,664	1,503	936	4,862
b. Other than India	7,428	6,607	6,504	27,560
Total	9,092	8,110	7,440	32,422
Less: Finance costs	(382)	(71)	(67)	(339)
Add: Unallocable income net of unallocable expenditure	652	1,080	390	2,590
3. Profit before tax and exceptional item	9,362	9,119	7,763	34,673
Exceptional item				
- Interest Income on income tax refund	-	91	186	276
4. Profit before tax	9,362	9,210	7,949	34,949
	As at June 30, 2019	As at March 31, 2019	As at June 30, 2018	
5. Segment assets				
a. India	70,087	50,377	51,208	
b. Other than India	84,686	82,795	70,672	
c. Unallocable	19,552	19,636	13,724	
Total Assets	174,325	152,808	135,604	
6. Segment liabilities				
a. India	57,579	52,854	44,304	
b. Other than India	26,833	17,302	12,854	
c. Unallocable	6,228	5,826	7,919	
Total Liabilities	90,640	75,982	65,077	

- EPS for quarterly periods is not annualised.
- Balances for the quarter ended June 30, 2019 and June 30, 2018 represents balance as per the audited balance sheet for the year ended March 31, 2019 and March 31, 2018 respectively as required by SEBI (Listing and other disclosure requirements) regulations , 2015.

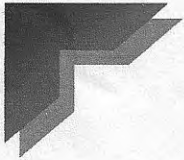
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P SRIKAR REDDY
MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER

Place : Mumbai

Date : August 7, 2019





Sonata Software – announces growth in international services revenue YoY of 18%, and growth of 16% consolidated profits YoY.

Mumbai, August 7, 2019

Sonata Software, a global technology solutions company, today reported its unaudited financial results for its first quarter ended June 30, 2019.

Description	For the Quarter ended				YoY
	30-Jun-19	31-Mar-19	QaQ	30-Jun-18	
Revenues					
International IT Services	304.5	304.1	0%	257.1	18%
Domestic- Products & Services	574.1	536.6	7%	437.1	31%
Consolidated	874.6	835.5	5%	688.3	27%
EBITDA					
International IT Services	84.4	75.8	11%	66.7	27%
Domestic- Products & Services	22.4	21.2	5%	16.7	34%
Consolidated	106.4	96.8	10%	83.1	28%
PAT					
International IT Services	53.4	52.5	2%	47.2	13%
Domestic- Products & Services	13.7	12.9	6%	10.4	32%
Consolidated	67.1	65.4	3%	57.6	16%

Speaking on the results Mr. Srikar Reddy, Managing Director & CEO of the Company said:

The continued growth in revenues and profits have been the result of our focus of being a digital transformation partner through our unique proprietary Platformation methodology and our strategy of IP led differentiation, focus on verticals like Retail, Distribution, CPG, ISVS and new technologies.

The acquisitions we made last quarter, Sopris and Scalable are showing promise and we believe will strengthen our alliance story.



Performance Highlights for the quarter:

• **Consolidated:**

- Revenues at ₹ 874.6 Crores : growth of 5% QoQ;
- EBIDTA at ₹ 106.4 Crores : growth of 10% QoQ;
- PAT at ₹ 67.1 Crores : growth of 3% QoQ;
- Cash and equivalents of approximately ₹ 398 Crores (net of borrowings).

• **International IT Services:**

- Revenues at ₹ 304.5 crores;
- EBIDTA at ₹ 84.4 Crores : growth of 11% QoQ;
- PAT at ₹ 53.4 Crores : growth of 2% QoQ;
- Addition of 7 new customers.

• **Domestic Products & Services :**

- Revenues at ₹ 574.1 crores : growth of 7% QoQ;
- EBIDTA at ₹ 22.4 Crores : growth of 5% QoQ;
- PAT at ₹ 13.7 Crores : growth of 6% QoQ;

About Sonata Software

Sonata Software is a global IT solutions firm focused on catalysing business transformation initiatives of its clients through deep domain knowledge, technology expertise and customer commitment. The company delivers strategic technology solutions for Travel, Retail & Distribution and Software Product companies to drive enhanced customer engagement, operations efficiency and return on IT investments. Sonata brings its own proprietary platforms, products and services in digital technology areas such as Omni-channel commerce, Mobility, Analytics, Cloud and ERP to enable speed and reliability of IT led innovation. A trusted long-term service provider to Fortune 500 companies across both the software product development and enterprise business segments, Sonata seeks to add differentiated value to leadership to those who want to make an impact on their businesses, with IT.

For further information, please contact:

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