



SONATA SOFTWARE LIMITED

7th September, 2020

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

BSE Limited
P.J. Towers, Dalal Street
Mumbai
Kind Attn: Manager, Listing Department
Email Id: listing.centre@bseindia.com
Stock Code - 532221

Dear Sir/Madam,

Sub: Disclosure of material impact of COVID 19 pandemic under SEBI (LODR) Regulations, 2015

Pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, Please find enclosed herewith the disclosure of material impact of COVID 19 pandemic on Sonata Software Limited.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For **Sonata Software Limited**

Mangal Kulkarni
Company Secretary and Compliance Officer

Encl : Annexure I

Annexure 1

COVID-19 Pandemic – Update on Operations

A. Impact of the COVID-19 on the business

Sonata, like most businesses globally, had an impact owing to Covid 19 and subsequent lockdowns and travel restrictions. We informed Stock exchanges in the month of March regarding the impact of up to 40% on our profits during the first half of the year owing to reduction of business from clients in travel and retail industries.

Sonata was able to deliver services for all the existing contracts fulfill all the obligations. With Innovation and adaptability from our teams, we were able to work with our clients to address the changed scenario and help them in navigating the crisis. Our Platformation and digital services became more relevant to current situation. This helped to reduce the negative impact on the bottom line, as evident in our quarterly results.

B. Ability to maintain operations including the units/office spaces functioning and closed down

Since Mid-March, we closed all our offices and moved our operations to work from home. We changed systems and processes to enable a smooth transition. We are happy that 100% of our teams were able to work from home with same or increased productivity. Our clients are happy with the service levels delivered and employees appreciated the efforts taken to ensure their safety.

C. Schedule, if any, for restarting the operations

Globally all operations are going on unhindered while work continues to be done from home. We will review moving operations to the office premises based on various factors. But right now we do not see that as a constraining factor for our business.

D. Steps taken to ensure smooth functioning of operations

Sonata formed a Covid 19 response program office comprising executive leadership and department heads. Our top priority continues to be the health and safety of our employees and partners while maintaining high levels of services to our clients. The steps include

- Setting up of Program Office to coordinate and respond to the situation.
- Enhancing IT Infrastructure, Policies and Processes to provide secured Work from Home environment.
- Adopting guidelines to ensure health & safety of Employees.
- Detailed software engineering and program governance processes for remote working
- Employee engagement processes to cater to work from home scenarios.
- Travel restrictions both domestic and International

E. Estimation of the future impact of COVID-19 on our operations, Demand for the services etc

We do not see any future negative impact owing to Covid 19. On the contrary, some of the clients' business is coming back and seeing uptick. We believe that the worst is over, unless Covid 19 takes dramatic turn with a fresh wave forcing more closures of countries and businesses.

F. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt and financing arrangements, if any, assets, internal financial reporting and control, supply chain and other areas

Sonata have adequate capital and financial resources to meet any exigencies. Our cash position net of debt is Rs. 399 Crores as of end of June 2020. Our Q1 FY2020-21 profit was Rs. 49.9 Crores, 15% decline QoQ. We continue to be profitable and don't see major risk to balance sheet owing Covid 19 unless there is worsening of the situation that we are not aware of.

G. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfil its obligations with respect to contracts with the customers, vendors and other partners. It does not foresee any material impact on the business due to non-fulfilment of the obligations by any party.

H. Other relevant material updates about the listed entity's business

The Company will provide an update as and when there is any material impact.