



SONATA SOFTWARE LIMITED

19th October, 2021

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: Outcome of Board Meeting

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Board of Directors at its meeting held today i.e. 19th October, 2021 inter-alia has:-

- a) Considered and approved Unaudited Financial Results of the Company for quarter and half year ended 30th September, 2021. We hereby enclose a copy of the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30th September, 2021 together with the Limited Review Report from Statutory Auditors of the Company. A copy of the press release is also enclosed for your reference.
- b) Declared an Interim Dividend of Rs. 8.00 per share (800 % on par value of Rs. 1/-) for the financial year 2021-22. The Record date for the purpose of payment of the Interim Dividend will be on Monday, 1st November, 2021. The Interim Dividend will be paid to the registered shareholders on or after Thursday, 11th November, 2021 through Electronic mode or by dividend warrants, as applicable.

Pursuant to the amendments introduced in the Income Tax Act, 1961 (Act), vide Finance Act, 2020, w.e.f April 1, 2020, the Company will be required to withhold taxes at the prescribed rates on dividend paid to the shareholders. Hence, the Interim Dividend declared shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961.

Communication in this regard has been sent to the shareholders, whose email ID's are registered with the Company and uploaded on the website of the Company under Investor Relations section. The required documents to enable the Company to determine the appropriate TDS rates can be uploaded by the shareholders at <https://ris.kfintech.com/form15/> on or before **27th October, 2021**.

Also note that the aforesaid information is available on the Company's website www.sonata-software.com. For any further queries on Tax on Dividend shareholders are requested to write to Investor@sonata-software.com.



SONATA SOFTWARE LIMITED

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 3.00 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully
For **Sonata Software Limited**

Mangal Kulkarni
Company Secretary, Compliance Officer and Head-Legal

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 Standalone Unaudited Financial Results of Sonata Software Limited ("the Company"), for the quarter and six months ended September 30, 2021 ("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.
2. 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.
3. 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.
4. Based on our review conducted as stated in paragraph 3 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 and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gurvinder Singh
(Partner)
(Membership No. 110128)
(UDIN: 21110128AAAAFT3464)

Place: Bengaluru
Date: October 19, 2021

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
CIN - L72200MH1994PLC082110

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Part I ₹ in lakhs, except per share data

Statement of unaudited standalone financial results for the quarter and six months ended September 30, 2021

SI No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	18,904	18,886	20,914	37,790	39,129	78,141
2	Other income	6,413	4,209	177	10,622	28	4,480
3	Total Revenue (1 + 2)	25,317	23,095	21,091	48,412	39,157	82,621
4	Expenses						
	(a) Purchases of Stock-in-Trade	2,773	2,652	1,603	5,425	3,119	6,074
	(b) Employee benefits expense	9,513	10,089	9,947	19,602	19,257	41,333
	(c) Finance costs	213	251	244	464	494	972
	(d) Depreciation and amortization expense	425	464	476	889	956	1,890
	(e) Other expenses	2,479	2,218	1,924	4,697	3,901	7,323
	Total expenses	15,403	15,674	14,194	31,077	27,727	57,592
5	Profit before tax (3 - 4)	9,914	7,421	6,897	17,335	11,430	25,029
6	Tax expense						
	(1) Current tax	1,086	1,195	1,832	2,281	3,394	5,904
	(2) Provision/reversal for tax relating to prior years	-	-	-	-	-	1,485
	(3) Deferred tax	89	237	(148)	326	(522)	(263)
7	Profit for the period (5 - 6)	8,739	5,989	5,213	14,728	8,558	17,903
8	Other comprehensive income						
	1 (a) Items that will not be reclassified to profit or (loss)	70	(438)	336	(368)	680	(66)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	(30)	84	(81)	54	(171)	15
	2 Items that will be reclassified to profit or (loss)						
	(a) Exchange differences in translating the financial statements of foreign operations	(37)	27	10	(10)	23	131
	(b) Exchange differences on forward cover	155	(156)	1,352	(1)	2,412	2,423
	(c) Income tax relating to items that will be reclassified to profit or (loss)	(24)	25	(331)	1	(612)	(576)
	Total	134	(458)	1,286	(324)	2,332	1,927
9	Total Comprehensive Income for the period (7 + 8)	8,873	5,531	6,499	14,404	10,890	19,830
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,039	1,039	1,039	1,039
11	Other equity (Refer Note 7)	51,913	51,913	36,289	51,913	36,289	51,913
12	Earnings per equity share (of ₹ 1/- each) (Refer Note 6)						
	(a) Basic	8.41	5.76	5.02	14.17	8.24	17.23
	(b) Diluted	8.41	5.76	5.02	14.17	8.24	17.23
	See accompanying notes to the financial results						

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(₹ in lakhs)

Standalone Balance Sheet			
SI No.	Particulars	As at September 30, 2021	As at March 31, 2021
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Property, Plant and Equipment	892	1,074
	(b) Right-of-use assets	6,392	7,049
	(c) Capital work-in-progress	1	11
	(d) Goodwill	282	282
	(e) Financial assets		
	(i) Investments	6,504	5,285
	(ii) Other Financial Assets	1,811	1,813
	(f) Deferred tax assets (net)	1,430	1,699
	(g) Other non-current assets	5,088	4,703
		22,400	21,916
2	CURRENT ASSETS		
	(a) Financial assets		
	(i) Investments	9,113	4,507
	(ii) Trade receivables	18,391	19,158
	(iii) Cash and cash equivalents	26,862	26,040
	(iv) Bank balances other than (iii) above	2,098	2,047
	(v) Loans	-	180
	(vi) Other financial assets	4,517	3,429
	(b) Other current assets	2,725	977
		63,706	56,338
	TOTAL - ASSETS	86,106	78,254
	EQUITY AND LIABILITIES		
3	EQUITY		
	(a) Equity share capital	1,039	1,039
	(b) Other equity	55,945	51,913
		56,984	52,952
4	LIABILITIES		
	NON-CURRENT LIABILITIES		
	Financial liabilities		
	Lease liability	5,875	6,423
		5,875	6,423
5	CURRENT LIABILITIES		
	(a) Financial liabilities		
	(i) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	38	37
	Total outstanding dues of creditors other than micro enterprises and small enterprises	13,894	9,283
	(ii) Lease liability	1,828	1,788
	(iii) Other financial liabilities	1,791	817
	(b) Other current liabilities	2,286	3,426
	(c) Provisions	1,324	1,433
	(d) Current tax liabilities (net)	2,086	2,095
		23,247	18,879
	TOTAL - EQUITY AND LIABILITIES	86,106	78,254

The Disclosure is an extract of the unaudited standalone balance sheet as at September 30, 2021 and audited as at March 31, 2021 in compliance with Indian Accounting Standards (Ind AS).

Standalone Cash Flow Statement

(₹ in Lakhs)

Particulars	For the half year ended	
	September 30, 2021	September 30, 2020
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	17,335	11,430
Adjustments for :		
Depreciation and amortization expense	889	956
Finance costs	463	495
Impairment loss recognized on trade receivables and bad debts written of	(289)	898
Lease payment concessions	(74)	(89)
Interest on financial assets at amortized cost	(22)	(34)
Interest from fixed deposits/margin money with banks	(653)	(292)
Interest from inter-corporate deposits	(31)	(10)
Dividend income from long-term investments in subsidiaries	(7,255)	-
Loss on sale of fixed assets / scrapped	-	22
Net (gain) on valuation of current investments	(139)	(24)
Expenses on employee stock based compensation	19	(79)
Exchange loss / (gain) on revaluation of investments	22	(31)
Unrealized foreign exchange loss/(gain)	127	(288)
Operating profit before working capital changes	10,392	12,954
Adjustments for :		
Decrease/(increase) in trade receivables	1,239	12,851
Decrease/(increase) in other financial assets-current	(697)	688
Decrease/(increase) in other financial assets non-current	(9)	(17)
Decrease/(increase) in other non-current assets	241	(70)
Decrease/(increase) in other current assets	(1,747)	(272)
(Decrease)/increase in other financial liabilities non-current	(2)	128
(Decrease)/increase in trade payables	4,531	(2,470)
(Decrease)/increase in other financial liabilities	109	190
(Decrease)/increase in other current liabilities	(1,509)	7
(Decrease)/increase in provisions	(109)	(34)
Net cash flow from operating activities before taxes	12,439	23,955
Income taxes paid, net of refunds	(2,915)	(2,313)
Net cash flow from operating activities (A)	9,524	21,642
Net cash from operating activities after exceptional items		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(45)	(48)
Purchase of Non-current investments	(356)	-
Purchase of investments	(24,167)	-
Proceeds from sale of investments	19,707	-
Bank balances not considered as Cash and cash equivalents	(52)	(125)
Interest received	39	300
Dividend received from subsidiary	7,255	-
Inter corporate deposit to subsidiary (net)	180	70
Net cash flow from investing activities (B)	2,561	200
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment on lease liabilities	(829)	(776)
Dividends paid on equity shares	(10,412)	98
Finance costs paid	(35)	-
Net cash flow (used in) financing activities (C)	(11,276)	(678)
Net increase in Cash and cash equivalents (A+B+C)	809	21,164
Opening Cash and cash equivalents	26,040	13,762
Exchange difference on translation of foreign currency Cash and cash equivalents	13	(50)
Closing Cash and cash equivalents	26,862	34,876
Cash and cash equivalents at the end of the period comprises:		
Balances with banks		
In current accounts	432	3,613
In EEFC accounts	842	266
In demand deposit accounts	25,588	30,997
	26,862	34,876

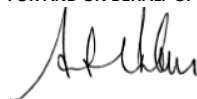
The Disclosure is an extract of the unaudited standalone cash flow statement as at September 30, 2021 and September 30, 2020 in compliance with Indian Accounting Standards (Ind AS)

Notes:

- 1 These quarterly and six months ended unaudited standalone financial results prepared in accordance with Indian Accounting Standards applicable as per Sec 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and amendments thereafter have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 19, 2021.
- 2 Sonata Software Limited, has obtained control of Encore IT Services Solutions Private Limited, a Chennai based Company (hereinafter referred to as "Encore") on August 1, 2021 for a total consideration of USD 1.2 Mn (₹ 890.76 Lakhs)
- 3 During the quarter the Sonata Software Intercontinental Limited (hereinafter referred to as "SSIL") has been incorporated in Ireland as a Wholly owned subsidiary of Sonata Software Limited (hereinafter referred to as "Company") with effect from 8th September, 2021 to provide end-to-end solutions to Information Technology Services. The authorized share capital of SSIL is EUR 100,000 (100,000 equity shares (Ordinary Shares) of EUR 1 each) for which no government/ regulatory approval is required. The Company holds 100% shareholding of SSIL.
- 4 The Company also publishes unaudited consolidated financial results in addition to unaudited standalone financial results. In accordance with Ind AS 108 Operating Segments, the Company has disclosed the segment information in the unaudited consolidated financial results.
- 5 Based on the financial performance of the company, the Board at its meeting held today, approved an interim dividend of ₹ 8 per share.
- 6 EPS for quarter and six months ended are not annualised.
- 7 The other equity with respect to each quarter and six months ended represents balance as per the audited Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015
- 8 The management has considered the possible effects of the pandemic relating to COVID-19 on the carrying amounts of receivables and goodwill as at September 30, 2021. In developing the assumptions relating to the recoverability of these assets, the management has considered the global economic conditions prevailing at the date of approval of these financial results and has used internal and external sources of Information including credit reports to the extent determined by it. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

Place : Bengaluru
Date : October 19, 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**P SRIKAR REDDY
MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER**

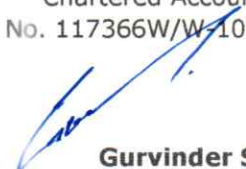
INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SONATA SOFTWARE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 and six months ended September 30, 2021, ("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.
2. 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.
3. 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.
4. The Statement includes the results of the Parent and subsidiaries as given in the Annexure of this report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 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 and Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Gurvinder Singh
Partner

(Membership No. 110128)
(UDIN: 21110128AAAAFS7768)

Place: Bengaluru
Date: 19 October 2021

Deloitte Haskins & Sells LLP

Annexure to the Auditor's Report:

List of Subsidiaries:

1. Sonata Information Technology Limited
2. Sonata Software Solutions Limited
3. Sonata Software North America Inc.
4. Interactive Business Information Systems Inc.
5. Sonata Software FZ LLC
6. Sonata Software (Qatar) LLC
7. Sonata Europe Limited
8. Sonata Software GmbH
9. Scalable Data Systems Pty Ltd
10. Sopris Systems LLC
11. GAPbuster China Co. Ltd
12. GAPbuster Europe Limited
13. GAPbuster Inc.
14. Gapbuster Limited
15. GAPbuster Worldwide Malaysia Sdn Bhd
16. GAPbuster worldwide Pty Limited
17. Kabushiki Kaisha GAPbuster Japan
18. Encore Software Services Inc. (acquired on August 01, 2021)
19. Encore IT Services Solutions Private Limited (acquired on August 01, 2021)
20. Sonata Software Intercontinental Limited (incorporated on September 8, 2021)



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Part I ₹ in lakhs, except per share data

Statement of unaudited consolidated financial results for the quarter and six months ended September 30, 2021

Sl No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	96,318	126,854	80,377	223,172	175,621	422,808
2	Other income	1,352	2,815	244	4,167	557	2,775
3	Total Revenue (1 + 2)	97,670	129,669	80,621	227,339	176,178	425,583
4	Expenses						
	(a) Purchases of Stock-in-Trade	59,557	93,461	50,731	153,018	117,272	299,158
	(b) Employee benefits expense	17,498	16,775	14,922	34,273	29,233	62,548
	(c) Finance costs	472	442	378	914	721	1,539
	(d) Depreciation and amortization expense	1,170	989	1,005	2,159	2,026	3,957
	(e) Other expenses	6,957	6,520	5,996	13,477	12,580	23,167
	Total expenses	85,654	118,187	73,032	203,841	161,832	390,369
5	Profit before tax (3 - 4)	12,016	11,482	7,589	23,498	14,346	35,214
6	Tax expense						
	(1) Current tax	3,097	3,131	2,553	6,228	5,304	10,203
	(2) Provision/reversal for tax relating to prior years	-	-	-	-	-	2,099
	(3) Deferred tax	(198)	(322)	(684)	(520)	(1,670)	(1,484)
7	Profit for the period (5 - 6)	9,117	8,673	5,720	17,790	10,712	24,396
8	Other comprehensive income						
	1 (a) Items that will not be reclassified to profit or (loss)	(46)	(526)	303	(572)	620	(69)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	10	129	(73)	139	(157)	17
	2 Items that will be reclassified to profit or (loss)						
	(a) Exchange differences in translating the financial statements of foreign operations and on goodwill reinstatement	(400)	112	1,320	(288)	100	1,040
	(b) Exchange differences on forward cover	732	(153)	2,378	579	3,246	3,535
	(c) Income tax relating to items that will be reclassified to profit or (loss)	(81)	10	(942)	(71)	(848)	(1,134)
	Total	215	(428)	2,986	(213)	2,961	3,389
9	Total Comprehensive Income for the period (7 + 8)	9,332	8,245	8,706	17,577	13,673	27,785
	Of the Total Comprehensive Income above, total comprehensive income attributable to:						
	Owners of the parent	9,332	8,245	8,706	17,577	13,673	27,785
		9,332	8,245	8,706	17,577	13,673	27,785
	Of the Total Comprehensive Income above, Profit for the period attributable to:						
	Owners of the parent	9,117	8,673	5,720	17,790	10,712	24,396
		9,117	8,673	5,720	17,790	10,712	24,396
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:						
	Owners of the parent	215	(428)	2,986	(213)	2,961	3,389
		215	(428)	2,986	(213)	2,961	3,389
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,039	1,039	1,039	1,039
11	Other equity (Refer Note 7)	89,508	89,508	65,928	89,508	65,928	89,508
12	Earnings per equity share (of ₹ 1/- each) (Refer Note 6)						
	(a) Basic	8.77	8.35	5.50	17.12	10.31	23.48
	(b) Diluted	8.77	8.34	5.50	17.11	10.31	23.48
	See accompanying notes to the consolidated financial results						

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Part II (₹ in lakhs)

Consolidated Balance Sheet

SI No.	Particulars	As at September 30, 2021	As at March 31, 2021
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Property, Plant and Equipment	1,450	1,512
	(b) Right-of-use assets	11,761	8,491
	(c) Capital work-in-progress	1	12
	(d) Goodwill	23,786	17,591
	(e) Other intangible assets	8,921	4,769
	(f) Financial assets		
	(i) Investments	1,469	1,055
	(ii) Other Financial Assets	4,150	1,951
	(g) Deferred tax assets (net)	1,249	1,894
	(h) Other non-current assets	9,875	10,498
	Total	62,662	47,773
2	CURRENT ASSETS		
	(a) Financial assets		
	(i) Investments	9,812	6,542
	(ii) Trade receivables	53,992	61,579
	(iii) Cash and cash equivalents	64,010	64,066
	(iv) Bank balances other than (iii) above	3,132	3,643
	(v) Other Financial Assets	8,782	7,261
	(b) Other current assets	5,319	3,828
	Total current assets	145,047	146,919
	TOTAL ASSETS	207,709	194,692
	EQUITY AND LIABILITIES		
3	EQUITY		
	(a) Equity Share capital	1,039	1,039
	(b) Other equity	96,713	89,508
	Total	97,752	90,547
	LIABILITIES		
4	NON-CURRENT LIABILITIES		
	Financial liabilities		
	(i) Lease liability	10,242	7,189
	(ii) Other Financial Liabilities	9,892	3,018
		20,134	10,207
5	CURRENT LIABILITIES		
	(a) Financial liabilities		
	(i) Borrowings	6,598	8,973
	(ii) Trade payables	62,827	65,097
	(iii) Lease liability	2,897	2,339
	(iv) Other Financial Liabilities	2,088	482
	(b) Other current liabilities	6,040	9,902
	(c) Provisions	2,869	2,715
	(d) Current tax liabilities (net)	6,504	4,430
	Total current liabilities	89,823	93,938
	TOTAL EQUITY AND LIABILITIES	207,709	194,692

The Disclosure is an extract of the unaudited consolidated balance sheet as at September 30, 2021 and audited as at March 31, 2021 in compliance with Indian Accounting Standards (Ind AS).

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Half year ended	
	September 30, 2021	September 30, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	23,498	14,346
Adjustments for :		
Depreciation and amortization expense	2,159	2,027
Finance costs	865	708
Impairment loss recognized on trade receivables and bad debts written off	(791)	1,956
Interest from unwinding of rent deposits discounted	(8)	(19)
lease payments concessions	(74)	(92)
Interest from fixed deposits/margin money with banks	(1,389)	(678)
Interest from PSU bonds	(10)	-
Loss on sale of property, plant and equipment / scrapped	-	22
Net (gain) on investments carried at fair value through profit and loss	(222)	(30)
Expenses on employee stock based compensation	19	(79)
Net unrealized foreign exchange loss/(gain)	772	(660)
Operating profit before working capital changes	24,819	17,501
Changes in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	8,820	5,218
Decrease/(increase) in other financial assets non-current	(281)	20
Decrease/(increase) in other financial assets-current	(687)	2,525
Decrease/(increase) in other non-current assets	(35)	(108)
Decrease/(increase) in other current assets	(1,490)	(1,076)
(Decrease)/Increase in trade payables	(2,825)	2,714
(Decrease)/increase in other financial liabilities non-current	2,181	433
(Decrease)/increase in other current liabilities	(4,428)	1,565
(Decrease)/increase in provisions	155	520
Cash generated from operations	26,229	29,312
Direct taxes/advance tax paid (net)	(5,465)	(3,995)
Net cash flow from operating activities (A)	20,764	25,317
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in-progress and		
Expenditure on property, plant and equipment	(285)	(118)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of current investments	(106,972)	(1,000)
Purchase of non-current investments	(405)	(152)
Cash outflow on acquisition of subsidiary	(3,594)	(5,048)
Proceeds from sale of current investments	103,932	-
Bank balances not considered as Cash and cash equivalents	510	(873)
Interest received	127	677
Net cash flow used in investing activities (B)	(6,687)	(6,511)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment on lease liabilities	(1,359)	(1,024)
Proceeds from short-term borrowings	4,104	7,703
Repayment of short-term borrowings	(6,480)	(1,903)
Dividend paid on equity shares	(10,412)	98
Finance costs	(164)	(135)
Net cash flow (used in) / from financing activities (C)	(14,311)	4,739
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(234)	23,545
Opening cash and cash equivalents	64,066	37,221
Exchange difference on translation of foreign currency cash and cash equivalents	178	119
Closing Cash and cash equivalents	64,010	60,885
Cash and Cash equivalents:		
Cash & Cash equivalents consist of cash on hand and balances with banks. Cash & cash equivalents		
Cash and cash equivalents at the end of the period comprises:		
Cash on hand	1	2
Balances with banks		
In Current accounts	10,737	7,564
In EEFC accounts	1,132	481
In demand deposit accounts	52,140	52,838
	64,010	60,885

The Disclosure is an extract of the unaudited consolidated cash flow statement as at September 30, 2021 and September 30, 2020 in compliance with Indian Accounting Standards (Ind AS)

Notes:

- These quarterly and six months ended unaudited consolidated financial results 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 October 19, 2021.
- Unaudited consolidated financial results include financial results of subsidiaries i.e, Sonata Information Technology Limited, Sonata Software North America Inc., Interactive Business Information Systems Inc., Sonata Software GmbH, Sonata Europe Limited, Sonata Software FZ-LLC, Sonata Software (Qatar) LLC, Scalable Data Systems Pty Ltd, Sopris Systems LLC, Sonata Software Solutions Limited, GAPbuster China Co. Ltd, GAPbuster Europe Limited, GAPbuster Inc., Gapbuster Limited, GAPbuster Worldwide Malaysia Sdn Bhd, GAPbuster worldwide Pty Limited, Kabushiki Kaisha GAPbuster Japan, Encore Software Services, Inc., Encore IT Services Solutions Private Limited, and Sonata Software Intercontinental Limited.
- During the quarter the Sonata Software Intercontinental Limited (hereinafter referred to as "SSIL") has been incorporated in Ireland as a Wholly owned subsidiary of Sonata Software Limited (hereinafter referred to as "Company") with effect from 8th September, 2021 to provide end-to-end solutions to Information Technology Services. The authorized share capital of SSIL is EUR 100,000 (100,000 equity shares (Ordinary Shares) of EUR 1 each) for which no government/ regulatory approval is required. The Company holds 100% shareholding of SSIL.
- Sonata Software North America Inc., (SSNA) a wholly-owned subsidiary of Sonata Software Limited, has acquired 100% stake in Encore Software Services, Inc. a California Corporation (hereinafter referred to as "Encore US") on August 1, 2021 for a total consideration of USD 14.94 Mn (₹ 11,131.53 Lakhs) which comprises of upfront cash consideration of USD 5.83 Mn (₹ 4,336.12 Lakhs) and contingent consideration of USD 9.11 Mn (₹ 6,795.41 lakhs) payable over 3 years. The payment of contingent consideration to the share holders is dependent upon the achievement of certain financial targets for respective years.
Additionally, Sonata Software Limited, has also obtained control of Encore IT Services Solutions Private Limited, a Chennai based Company (hereinafter referred to as "Encore") on August 1, 2021 for a total consideration of USD 1.2 Mn (₹ 890.76 Lakhs).
- Based on the financial performance of the company, the Board at its meeting held today, approved an interim dividend of ₹ 8 per share.
- EPS for quarter and six months ended are not annualised.
- The other equity with respect to each quarter and six months ended represents balance as per the audited consolidated Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.
- The management has considered the possible effects that may result from COVID-19 in the preparation of these consolidated financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the recoverability of these assets, the management has considered the global economic conditions prevailing at the date of approval of these financial results and has used internal and external sources of information including credit reports to the extent determined by it. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.
- The consolidated segment wise revenue, results and capital employed are as follows :

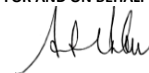
(₹ in lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
a. India	54,806	76,756	43,561	131,562	96,928	257,614
b. Other than India	41,825	50,259	37,596	92,084	79,929	167,331
Total	96,631	127,015	81,157	223,646	176,857	424,945
Less: Inter segment revenue	(313)	(161)	(780)	(474)	(1,236)	(2,137)
Revenue from operations	96,318	126,854	80,377	223,172	175,621	422,808
2. Segment results						
Profit before tax and interest						
a. India	3,259	3,291	1,394	6,550	2,795	8,303
b. Other than India	7,980	6,141	5,989	14,121	11,221	25,986
Total	11,239	9,432	7,383	20,671	14,016	34,289
Less: Finance costs	(472)	(442)	(378)	(914)	(721)	(1,539)
Add: Unallocable income net of unallocable expenditure	1,249	2,492	584	3,741	1,051	2,464
3. Profit before tax	12,016	11,482	7,589	23,498	14,346	35,214

(₹ in lakhs)

Particulars	September 30, 2021	June 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
4. Segment assets				
a. India	71,713	82,299	74,581	75,727
b. Other than India	91,704	100,341	80,375	84,745
c. Unallocable	44,292	43,086	28,939	34,220
Total Assets	207,709	225,726	183,895	194,692
5. Segment liabilities				
a. India	50,512	77,464	52,173	56,652
b. Other than India	46,340	36,729	30,433	34,091
c. Unallocable	13,105	12,729	20,726	13,402
Total Liabilities	109,957	126,922	103,332	104,145
Capital Employed	97,752	98,804	80,563	90,547

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



P SRIKAR REDDY
MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER

Place : Bengaluru

Date : October 19, 2021



Sonata Software - Consolidated Q2 FY21-22 PAT at ₹ 91.2 Crores; 59% YoY growth, declares interim dividend of ₹ 8 per share

Bengaluru, October 19, 2021

Sonata Software, a global IT Services and Technology Solutions Company, today reported its unaudited financial results for its 2nd quarter and six months ended 30th September, 2021.

Description	₹ in Crores							
	For the Quarter ended					For the half year ended		
	30-Sep-21	30-Jun-21	30-Sep-20	QoQ	YoY	30-Sep-21	30-Sep-20	YoY
Revenues								
International IT Services	360.8	323.9	288.1	11%	25%	684.7	563.9	21%
Domestic- Products & Services	605.5	946.2	523.5	-36%	16%	1,551.8	1,204.7	29%
Consolidated	963.2	1,268.5	803.8	-24%	20%	2,231.7	1,756.2	27%
EBITDA								
International IT Services	103.5	97.1	70.4	7%	47%	200.6	135.0	49%
Domestic- Products & Services	33.7	32.4	19.6	4%	72%	66.0	36.5	81%
Consolidated	136.6	129.1	89.7	6%	52%	265.7	170.9	55%
PAT								
International IT Services	67.3	63.7	43.6	6%	54%	131.0	81.9	60%
Domestic- Products & Services	23.9	23.0	13.6	4%	76%	46.9	25.2	86%
Consolidated	91.2	86.7	57.2	5%	59%	177.9	107.1	66%

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

Our overall strategy of building digital enterprises by creating platforms through our unique Platformation™ methodology has continued to drive our growth and differentiate ourselves. We continue to invest in creating a stronger organization with investments, in creating world class competencies aligned to Platformation™.

World class competency development focus has been on digital services like platform engineering, cloud transformation, data analytics and Microsoft digital platform

We see the demand situation across the board for digital services being very promising with growth in existing accounts and new deal pipeline. In view of super high demand for talent we are executing on a comprehensive talent plan for digital skills, including a range of initiatives on improving employee engagement and retention, creating capacity in advance and expanding our delivery centers with near shore delivery centers for US and Europe.

Our India business has continued to show robust growth with shift to cloud and digital infrastructure.

The new acquisitions Encore and GBW show great promise for the future. With continued clear visibility and business opportunity, we stay focused now on investing for long term growth, in talent acquisition and transformation, IP, competency development and sales and marketing.



Performance Highlights for the quarter:

- **Consolidated:**

- Revenues at ₹ 963.2 crores; YoY growth of 20%
- EBITDA at ₹ 136.6 crores; YoY growth of 52%
- PAT at ₹ 91.2 crores; YoY growth of 59%
- DSO days improved from 38 days to 35 days
- Cash and equivalents of approximately ₹ 703 Crores (net of borrowings).

- **International IT Services:**

- Revenues at ₹ 360.8 crores; YoY growth of 25%
- Revenue in USD at 49.4 Million, YoY revenue growth of 26.7% in USD terms
- QoQ Growth across all geographies (USA 13.7%, Europe 7.3%, Rest of World 9.5%).
- Strong Execution through Platformation™ led growth, IP led growth and Alliance led growth
- Sonata's approach to Digitizing business using Platformation™
- EBITDA at ₹ 103.5 crores; YoY growth of 47%
- PAT at ₹ 67.3 crores; YoY growth of 54%
- Addition of 8 new customers.
- Strong cash and liquidity positions maintained. DSO is at 38 days.
- Our pipeline continues to be healthy and strong through multiple new digital wins from existing and new customers.

- **Domestic Products & Services:**

- Revenues at ₹ 605.5 crores; YoY growth of 16%
- DSO days improved from 39 days to 32 days
- EBITDA at ₹ 33.7 crores; YoY growth of 72%
- PAT at ₹ 23.9 crores; YoY growth of 76%

About Sonata Software

Sonata is a global technology company, that enables successful platform based digital transformation initiatives for enterprises, to create businesses that are connected, open, intelligent and scalable. Sonata's Platformation™ methodology brings together industry expertise, platform technology excellence, design thinking-led innovation and strategic engagement models to deliver sustained long term value to customers. A trusted partner of world leaders in the Retail, Manufacturing & Distribution, Travel and Software industries, Sonata's solution portfolio includes its own digital platform such as Brick & Click Retail Platform©, Modern Distribution Platform©, Rezopia Digital Travel Platform©, RAPID DevOps Platform©, Kartopia E-commerce Platform©, Halosys Mobility Platform©, and Commodity CTRM Platform©, best-in-class capabilities on ISV digital technology platforms such as Microsoft Dynamics 365, Microsoft Azure, SAP Hybris, Cloud Engineering and Managed Services, as well as new digital applications like IoT, Artificial Intelligence, Machine Learning, Robotic Process Automation, Chatbots, Block Chain and Cyber Security. Sonata's people and systems are nurtured to bring together the depth of thought leadership, customer commitment and execution excellence to make a difference to business with technology.

For further information, please contact:

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