

SONATA INFORMATION TECHNOLOGY LIMITED

CONDENSED BALANCE SHEET AS AT 31ST DECEMBER 2009

SCHEDULE	(Rs)		
	AS AT 31.12.2009	AS AT 31.12.2008	AS AT 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	33,753,940	33,753,940	33,753,940
Reserves and Surplus	302,178,184	231,742,250	251,291,425
	<u>335,932,124</u>	<u>265,496,190</u>	<u>285,045,365</u>
Deferred Tax Liability	655,917	797,411	803,850
TOTAL FUNDS EMPLOYED	<u>336,588,041</u>	<u>266,293,601</u>	<u>285,849,215</u>
APPLICATION OF FUNDS			
Fixed Assets			
Tangible fixed assets	4,654,624	7,413,553	6,940,485
Investments	125,000,000	-	-
Current Assets, Loans and Advances			
Inventories	101,695,990	241,522,842	28,890,814
Sundry Debtors	562,882,826	1,309,591,797	1,205,226,725
Cash and Bank Balances	200,706,608	343,636,002	169,183,809
Other Current Assets	19,898,000	9,900,000	10,800,000
Loans and Advances	1,059,888,814	497,602,625	735,045,876
	<u>1,945,072,238</u>	<u>2,402,253,266</u>	<u>2,149,147,224</u>
Less: Current Liabilities and Provisions			
Current Liabilities	1,736,977,787	2,141,206,410	1,869,273,995
Provisions	1,161,034	2,166,808	964,499
	<u>1,738,138,821</u>	<u>2,143,373,218</u>	<u>1,870,238,494</u>
NET CURRENT ASSETS	206,933,417	258,880,048	278,908,730
TOTAL FUNDS APPLIED	<u>336,588,041</u>	<u>266,293,601</u>	<u>285,849,215</u>

SELECTED EXPLANATORY NOTES
FORMING PART OF ACCOUNTS

1

As per our Report annexed

By the Order of Board of Directors

For N M RAJJI & Co.
Chartered Accountants

For Sonata Information Technology Limited

CA Y N THAKKAR
Partner
Membership No 33329SUJIT MOHANTY
AVP & Director

Mumbai, 19th January, 2010

SONATA INFORMATION TECHNOLOGY LIMITED

CONDENSED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2009

(Rs)					
	QUARTER ENDED	QUARTER ENDED	NINE MONTHS	NINE MONTHS	YEAR ENDED
SCHEDULE	31.12.2009	31.12.2008	ENDED	ENDED	31.03.2009
			31.12.2009	31.12.2008	
INCOME					
Sales and Services (Net)	1,130,755,866	1,514,517,946	3,911,452,846	4,890,379,718	6,390,928,611
Other Income	58,919	2,518,981	570,056	21,940,892	22,144,175
Total Income	1,130,814,785	1,517,036,927	3,912,022,902	4,912,320,610	6,413,072,786
EXPENDITURE					
Salaries, wages and other staff costs	56,472,141	49,685,766	141,381,174	141,010,908	196,132,031
Other operating expenses	47,723,400	60,016,825	153,490,314	175,896,286	227,091,922
Purchase of traded items	1,011,261,110	1,444,179,954	3,585,717,254	4,617,519,668	5,758,975,292
Interest	5,596,267	4,755,124	19,055,091	10,970,249	16,026,442
Depreciation	742,527	1,005,749	2,285,837	3,168,596	4,085,003
Provision for Doubtful Debts	1,059,449	-	3,539,883	-	2,963,551
(Increase)/ Decrease in Stocks	(26,642,896)	(63,259,799)	(72,805,176)	(137,006,470)	75,625,558
	1,096,211,998	1,496,383,619	3,832,664,377	4,811,559,237	6,280,899,799
Profit Before Tax	34,602,787	20,653,308	79,358,525	100,761,373	132,172,987
Provision for Tax	12,858,306	7,002,566	28,471,766	33,921,254	45,567,693
Fringe Benefit Tax	-	188,000	-	864,000	1,080,000
Profit after Tax	21,744,481	13,462,742	50,886,759	65,976,119	85,525,294
Add : Balance of Profit brought forward from previous period			225,038,365	139,513,071	139,513,071
Disposable Surplus			275,925,124	205,489,190	225,038,365
Balance Carried to Balance Sheet					225,038,365
SELECTED EXPLANATORY NOTES	1				
FORMING PART OF ACCOUNTS					
EPS - Basic (on Rs.10 per share)	6.44	3.99	15.08	19.55	25.34
EPS - Diluted (on Rs.10 per share)	6.44	3.99	15.08	19.55	25.34
EPS - Basic (Annualised) (on Rs.10 per share)	25.77	15.95	20.10	26.06	25.34
EPS - Diluted (Annualised) (on Rs.10 per share)	25.77	15.95	20.10	26.06	25.34

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For N M RAIJI & Co.
Chartered Accountants

For Sonata Information Technology Limited

CA Y N THAKKAR
Partner
Membership No 33329SUJIT MOHANTY
AVP & Director

Mumbai, 19th January, 2010

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CONDENSED CASH FLOW STATEMENT

		(Rs)				
		QUARTER ENDED	QUARTER ENDED	NINE MONTHS ENDED	NINE MONTHS ENDED	YEAR ENDED
		31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.03.2009
Cash flows from operating activities	(A)	843,496,983	187,604,801	156,345,176	(5,381,799)	(179,585,267)
Cash flows from investing activities	(B)	(124,941,081)	56,523	(124,822,377)	184,998,384	184,749,659
Cash flows from financing activities	(C)	(580,150,876)	(238,518,691)	-	-	-
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	<u>138,405,026</u>	<u>(50,857,367)</u>	<u>31,522,799</u>	<u>179,616,585</u>	<u>5,164,392</u>
Opening Cash and Cash equivalents		62,301,582	394,493,369	169,183,809	164,019,417	164,019,417
Closing Cash and Cash equivalents		200,706,608	343,636,002	200,706,608	343,636,002	169,183,809

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Mumbai, 19th January, 2010

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SCHEDULE 1 : SELECTED EXPLANATORY NOTES FORMING PART OF THE ACCOUNTS

1. There are no changes in the accounting policies during the Nine months ended 31st December, 2009. The significant accounting policies of the company relate to fixed asset and depreciation, investments, inventories, services, foreign currency transactions and retirement benefits.
2. Contingent liabilities in respect of Income Tax Rs. 21.82 crores - explained below.
 - a) The above amount has arisen on account of an adverse decision given by the High Court of Karnataka holding that the Company failed to deduct tax at source on amounts paid to overseas suppliers on purchase of software. The Company has preferred an appeal before the Supreme Court and the same is pending as on date. The appeals of other similarly placed companies before the Supreme Court have been admitted and stay granted on the same.
 - b) In the meanwhile one of the principal supplier of software to the Company has already paid Rs 12.86 crores out Rs 21.82 crores referred to in (a) above, and consequently the amount stands reduced to Rs 8.96 crores.
3. The Company has received demands from the Income Tax department totaling Rs 73.97 crores for the assessment year 2007-08. The primary points giving rise to the above demand have been adjudicated by the Income Tax Appellate Tribunal in earlier years and favorable orders have been granted to the Company. Thus, the Company believes that this demand is unsustainable.
4. Previous period's figures have been regrouped, wherever necessary to conform to current period's classification.

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Y N THAKKAR
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Mumbai, 19th January, 2010