

Highlights for the Quarter Ended 31st December, 2009

- **Sonata (Consolidated) Net Profit at Rs. 21.98 crores, up 10% Year on Year**
- **Sonata (Consolidated) Revenue at Rs. 336 crores**
- **EPS annualised (Consolidated) at Rs. 8.36 as compared to Rs. 7.57 Year on Year**

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2009

Figures in Rs. Lakhs (Except EPS)

Sr. No	Particulars	SONATA SOFTWARE LIMITED																				
		SONATA SOFTWARE LIMITED					INTERNATIONAL					DOMESTIC					TOTAL					
		Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended	
31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	
1	Sales and Services	6051.50	6192.43	17732.07	18464.95	24357.69	22298.46	24412.76	67182.30	73530.15	95287.07	11301.89	15122.33	38952.31	48842.38	63829.65	33600.35	39535.09	106134.61	122372.53	159116.71	
2	Other Operating Income	1.81	12.87	26.49	81.59	87.47	158.70	134.62	482.78	518.73	750.31	-	24.62	3.92	153.31	153.31	158.70	159.24	486.70	672.04	903.62	
3	Total Operating Income	6053.31	6205.30	17758.56	18546.54	24445.16	22457.16	24547.38	67665.08	74048.88	96037.37	11301.89	15146.95	38956.23	48995.69	63982.96	33759.05	39694.33	106621.31	123044.57	160020.33	
4	Expenditure																					
a)	(Increase) / Decrease in stocks	-	39.20	-	117.61	156.81	121.42	340.00	(330.02)	198.43	143.34	(266.43)	(632.60)	(728.05)	756.26	(145.01)	(292.60)	(1058.07)	(1171.63)	899.60		
b)	Purchase of traded items						(459.30)	118.40	(7.87)	2.53	3.32	10107.45	14420.58	35703.68	46115.80	57516.66	9648.15	14538.98	35695.81	46118.32	57519.99	
c)	Staff Costs	2948.99	2711.91	8468.55	7898.52	10864.09	9933.45	9497.50	29805.67	29213.37	39293.36	564.72	496.86	1413.81	1410.11	1961.32	10498.17	9994.36	31219.48	30623.48	41254.68	
d)	Depreciation	197.95	201.15	573.70	633.50	813.16	1244.68	1116.55	3694.52	3241.52	4309.33	7.43	10.06	22.86	31.69	40.85	1252.11	1126.61	3717.38	3273.21	4350.18	
e)	Other operating expenses	1256.80	1814.45	4138.81	5539.83	6936.58	8650.20	10631.44	26136.50	33207.37	41957.63	487.83	600.16	1570.30	1758.96	2300.55	9138.03	11231.60	27706.80	34966.34	44258.18	
	Total Expenditure	4403.74	4766.71	13181.06	14189.46	18770.64	19490.45	21703.89	59298.80	65863.22	85706.98	10901.00	14895.06	37982.60	47946.50	62575.64	30391.45	36598.95	97281.40	113809.71	148282.63	
5	Profit from operations before other Income and Interest	1649.57	1438.59	4577.50	4357.08	5674.52	2966.71	2843.49	8366.28	8185.67	10330.39	400.89	251.90	973.63	1049.19	1407.31	3367.60	3095.38	9339.91	9234.86	11737.70	
6	Other Income	41.17	3.37	109.20	12.00	17.84	21.53	41.08	58.37	107.98	129.00	0.59	0.57	1.78	60.56	62.59	22.12	41.65	60.15	168.54	191.60	
7	Profit before Interest	1690.74	1441.96	4686.70	4369.08	5692.36	2988.24	2884.57	8424.65	8293.64	10459.40	401.48	252.46	975.41	1109.76	1469.90	3389.72	3137.03	9400.06	9403.40	11929.30	
8	Interest	-	0.95	-	38.82	143.58	84.84	397.29	394.22	512.74	20.25	47.55	104.15	108.79	156.68	163.83	132.39	501.44	503.01	669.42		
9	Profit after Interest but before tax	1690.74	1441.01	4686.70	4330.46	5653.54	2844.66	2799.73	8027.36	7899.43	9946.66	381.23	204.91	871.26	1000.96	1313.22	3225.89	3004.64	8898.62	8900.39	11259.88	
10	Tax expense/provision including FBT	54.26	67.86	245.00	281.83	317.65	481.42	527.46	1374.06	1474.46	1749.02	128.58	71.91	284.72	347.85	466.48	610.00	599.37	1658.78	1822.31	2215.50	
11	Net Profit after Tax	1636.48	1373.15	4441.70	4048.63	5335.89	2363.24	2272.27	6653.30	6424.97	8197.63	252.65	133.00	586.54	653.11	846.74	2615.89	2405.27	7239.84	7078.08	9044.38	
12	Share in earning of Affiliates																					
13	Minority Interest						(417.90)	(415.33)	(1130.71)	(1141.63)	(1412.68)							(417.90)	(415.33)	(1130.71)	(1141.63)	(1412.68)
14	Net Profit						1945.34	1856.94	5522.59	5281.35	6810.06	252.65	133.00	586.54	653.11	846.74	2197.99	1989.94	6109.13	5934.46	7656.80	
15	Paid-up Equity Share Capital (Face Value Re.1/-)	1051.59	1051.59	1051.59	1051.59	1051.59											1051.59	1051.59	1051.59	1051.59	1051.59	
16	Reserves & Surplus	26127.91	21074.84	26127.91	21074.84	21331.04											33093.01	25894.08	33093.01	25894.08	26628.72	
17	Earning Per Share (Face value Re.1/-each)																					
	- Basic & Diluted	1.56	1.31	4.22	3.85	5.07											2.09	1.89	5.81	5.64	7.28	
18	Public Shareholding *																					
	No. of shares (Face value Re.1/-each)	57411456	57411456	57411456	57411456	57411456											57411456	57411456	57411456	57411456	57411456	
	% of holding (to total shareholding)	54.59	54.59	54.59	54.59	54.59											54.59	54.59	54.59	54.59	54.59	
19	Promoters & Promoter group shareholding																					
	(a) Pledged / Encumbered																					
	- Number of shares	13500000	13500000	13500000	13500000	13500000											13500000	13500000	13500000	13500000	13500000	
	- % of shares (to total holding of Promoter group)	28.27	28.27	28.27	28.27	28.27											28.27	28.27	28.27	28.27	28.27	
	- % of shares (to total share capital of the Company)	12.84	12.84	12.84	12.84	12.84											12.84	12.84	12.84	12.84	12.84	
	(b) Non-encumbered																					
	- Number of shares	34247850	34247850	34247850	34247850	34247850											34247850	34247850	34247850	34247850	34247850	
	- % of shares (to total holding of Promoter group)	71.73	71.73	71.73	71.73	71.73											71.73	71.73	71.73	71.73	71.73	
	- % of shares (to total share capital of the Company)	32.57	32.57	32.57	32.57	32.57											32.57	32.57	32.57	32.57	32.57	
20	EBIDT %	30.99	26.46	29.44	26.96	26.59	18.67	16.27	17.90	15.56	15.36	3.62	1.73	2.56	2.33	2.36	13.74	10.73	12.30	10.29	10.16	
21	PAT %	26.85	22.12	24.86	21.82	21.81	8.65	7.55	8.15	7.12	7.08	2.24	0.88	1.51	1.33	1.32	6.51	5.01	5.73	4.82	4.78	
22	ROCE % (Annualised)	25.30	24.92	23.90	25.92	25.41	29.79	31.94	28.45	31.30	29.95	17.75	19.10	29.66	43.70	41.42	27.24	30.21	28.21	32.38	31.01	
23	RONW % (Annualised)	25.30	24.90	23.90	25.68	25.23	26.55	30.98	26.48	31.17	29.79	31.09	20.55	25.19	37.46	34.95	27.00	29.96	26.35	31.76	30.31	

* Public shareholding as classified under category B in the shareholding pattern in Clause 35/40A of the listing Agreement.

International : Comprises of Sonata Software Limited, Offshore Digital Services Inc, Sonata Europe Limited, Sonata Software GmbH, TUI InfoTec GmbH & Sonata Software FZ LLC, Sonata & its subsidiaries portfolio of Services include IT Consulting Services, Travel Solutions, Application Development, Application Management, Managed Testing, Business Intelligence, Infrastructure Management and Packaged Applications.

Domestic : Sonata Information Technology Limited which is into Indian Operations comprising of Software Product Marketing & Services.

Notes:

- These audited results for the quarter and nine months ended 31st December, 2009, have been taken on record by the Board at its Meeting held on 19th January, 2010.
- The Audit Report of the Company for the period bears no qualification.
- Details of Operating expenses exceeding 10% of total expenditure :

Figures in Rs. Lakhs

Particulars	Quarter ended		Nine months ended		Year ended
	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09
Subsistence/Living Cost	450.20	632.23	1480.41	1964.54	2509.92

- Contingent liabilities in relation to income tax :Rs 1579 Lakhs (Consolidated Rs. 3761 Lakhs).
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 similar placed companies before the Supreme Court have been admitted and stay granted on the same. In the meanwhile one of the principal supplier of software to the Company has already paid Rs 879 Lakhs (Consolidated Rs. 2165 Lakhs) out Rs 1579 Lakhs (Consolidated Rs. 3761 Lakhs) referred to above, and consequently the amount stands reduced to Rs 700 Lakhs (Consolidated Rs. 1596 Lakhs).

5. Figures have been regrouped wherever necessary to facilitate comparison.

6. These Accounts have been prepared in accordance with the mandatory applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

7. During the quarter, Company announced the appointment of Mr. Murali Swaminathan as Head - Human Resources. Mr. Murali brings with him over 22 years of experience in HR domains such as People Management, Leadership Development, Performance & Rewards, and Consulting across a diverse range of industries including Manufacturing, IT/ITES Services and Consulting.

8. While there were no investor complaints pending at the beginning of quarter ended 31st December, 2009, the Company received 19 investor complaints relating to non-receipt of dividend during the said quarter and all such complaints have been resolved. Hence, there are no pending complaints at the end of the quarter ended 31st December, 2009.

- The consolidated segmentwise revenue and results for the quarter and nine months ended 31st December, 2009 as required under Clause 41 of the Listing Agreement are as follows :

Figures in Rs. Lakhs

Particulars	SONATA SOFTWARE LIMITED					Particulars	CONSOLIDATED				
	Quarter ended		Nine months ended		Year ended		Quarter ended		Nine months ended		Year ended
	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	31.12.09	31.12.08	31.12.09	31.12.08	31.03.09	
1. Segment Revenue											
a. Domestic (Sales & Services)	11301.89	15122.33	38952.31	48842.38	63829.65						
b. International (Software Service Exports)	22298.46	24412.76	67182.30	73530.15	95287.07						