



REPORT  JUNCTION.COM

Sustained
Growth

Sonata Software Limited

P e r f o r m a n c e H i g h l i g h t s

(Rs. in million)

PARTICULARS	CONSOLIDATED		SONATA		CONSOLIDATED		SONATA	
	Quarter ended on 31.03.2009	Quarter ended on 31.03.2008	Quarter ended on 31.03.2009	Quarter ended on 31.03.2008	Year ended on 31.03.2009	Year ended on 31.03.2008	Year ended on 31.03.2009	Year ended on 31.03.2008
TOTAL INCOME	3,709.23	3,890.76	590.47	552.58	16,022.21	14,594.27	2,446.30	2,011.03
EXPORTS	2,183.22	2,192.58	589.27	538.26	9,521.76	8,376.98	2,435.77	1,988.20
EBIDT	360.29	343.89	150.29	137.16	1,627.95	1,425.27	650.55	491.45
PROFIT AFTER TAX	172.23	168.98	128.73	105.67	765.68	585.19	533.59	366.89
FIXED ASSETS	1,909.91	1,837.30	272.36	293.10	1,909.91	1,837.30	272.36	293.10
TOTAL DEBT	33.75	283.44	-	-	33.75	283.44	-	-
NET WORTH -CLOSING	2,768.03	2,288.53	2,238.26	1,992.33	2,768.03	2,288.53	2,238.26	1,992.33
EQUITY	105.16	105.16	105.16	105.16	105.16	105.16	105.16	105.16

PARTICULARS	CONSOLIDATED		SONATA		CONSOLIDATED		SONATA	
	Quarter ended on 31.03.2009	Quarter ended on 31.03.2008	Quarter ended on 31.03.2009	Quarter ended on 31.03.2008	Year ended on 31.03.09	Year ended on 31.03.2008	Year ended on 31.03.2009	Year ended on 31.03.2008
EXPORTS INCOME/TOTAL INCOME	58.86%	56.35%	99.80%	97.41%	59.43%	57.40%	99.57%	98.86%
DOMESTIC INCOME/TOTAL INCOME	40.45%	42.41%	-	-	39.89%	40.47%	-	-
OTHER INCOME/TOTAL INCOME	0.69%	1.24%	0.20%	2.59%	0.68%	2.13%	0.43%	1.14%
OPERATING EXPENSES / TOTAL INCOME	53.19%	53.70%	71.93%	74.47%	53.25%	52.97%	72.29%	74.78%
EBIDT/TOTAL INCOME	9.71%	8.84%	25.45%	24.82%	10.16%	9.77%	26.59%	24.44%
PAT/TOTAL INCOME	4.64%	4.34%	21.80%	19.12%	4.78%	4.01%	21.81%	18.24%
DEBT: EQUITY ¹	0.01	0.12	-	-	0.01	0.12	-	-
DEBTORS NO. OF DAYS	69	57	66	65	64	61	64	70
RETURN ON AVG NETWORTH ²	25.24%	30.11%	23.14%	21.35%	30.31%	28.16%	25.23%	19.42%
RETURN ON AVG CAPITAL EMPLOYED ³	27.34%	28.06%	23.14%	21.35%	31.01%	25.29%	25.41%	19.49%
EPS (Annualised) (on Re.1/per share) ⁴	6.55	6.43	4.90	4.02	7.28	5.56	5.07	3.49
BOOK VALUE PER SHARE -(Rs) ⁵	25.97	21.35	21.16	18.83	24.04	19.76	20.12	17.96

EXPLANATORY NOTES :

¹ Debt divided by Closing Shareholders funds.

² Profits divided by Average Network.

³ Profit after tax + Interest on term loan divided by Average Capital employed (Capital employed = Capital + Reserves + Borrowed funds).

⁴ Profits divided by weighted average no. of equity shares.

⁵ Average Network divided by No. of equity shares.

ANNUAL REPORT

2008 - 2009



Sustained Growth

This has been a fascinating year at Sonata. In the face of strong headwinds, we have taken significant strategic steps that have consolidated our leadership position in the mid-tier IT solutions provider category. We entered a new geography, added a new Development Centre, ramped up our practices, established a new vertical, commemorated 10 years of listing by announcing a Special Interim Dividend and contributed to social causes. And in the middle of all this, we grew faster this year than in the previous year.

But it hasn't been easy. At a time when business realities and pressures are changing by the minute, we are often faced with one underlying concern. How do we balance the sometimes conflicting interests of our investors, our business partners, our society and our employees and still retain our high rate of growth? In Sonata, we follow a simple philosophy - we keep the customer at the heart of everything we do. That we have grown despite the strong headwinds is validation that the strategy is working.

Sustained Growth



A foundation built over the years

An important characteristic of our growth story is that it is built over time. Be it our geographic diversity, the spread of our services, powerful alliances, technology leadership, a strong employee backbone, our inorganic strategy or our financial prudence, every little bit of what we are today is a result of careful planning and diligent execution done over the years. Nothing in Sonata is short-sighted, no matter how lucrative the returns. Perhaps it is this that leads us to build relationships that are long lasting.

Diverse. Differentiated. Determined.

But companies all over the world have been forced to relook at their IT spending in the last one year. How then, have we ensured that our engagements with our customers have yielded them the highest return on their investments? At Sonata, we are committed to unlocking value in every assignment that we take up. We are constantly looking beyond traditional ways of engaging with our customers and leveraging technology to deliver outstanding performance. We have deliberately kept our services portfolio diverse, to cater to a wider spectrum of our customers' requirements. Most importantly, we are determined that the solutions that we offer are functionally differentiated and give a competitive edge to our customers. Our customers appreciate these efforts, and reward us by staying engaged with us year after year.

Renewing skills on technology

One of the cornerstones of the Sonata Advantage is our ability to stay ahead of the technology curve. Over the last year, we have taken many initiatives to keep ourselves on the cutting edge of technology. Empowered by the strength of our alliances with global technology majors, we have built state-of-the-art Centers of Excellence (CoE's) and/or Practices that showcase solution prototypes developed on new platforms.

Sustained Growth

Sustained Growth



Expanding our boundaries

Even in a challenging economic background, we continue to grow undeterred. In the belief that we have value to offer to enterprises in other parts of the world, we have further expanded our boundaries this year. In addition to our existing offices in the United States, Europe and India, we have also opened an office in Dubai. This will cater to the IT solution and services requirements of companies in the GCC countries. We are now present across all the major markets and hence are better insured against specific geographic uncertainties.

Relentless drive to enhance operational efficiency

At all times, Sonata pursues operational efficiency with fervor. We are constantly benchmarking ourselves with the best in the industry and cutting waste to remain lean and efficient. This helps us stay agile and responsive. And competitive.

Believing in ourselves

All the progress that we have made over the years is predominantly due to the “can-do” attitude of our employees – or Sonatians, as we like to be called. The one pervasive force that binds Sonatians is our allegiance to the Sonata values. This is ably complemented by our ability to think innovatively, and to come up with solutions that are both ingenious and inspired. Empowerment is a way of life in Sonata. Little wonder then that Empowered People, Enduring Relationships is etched into our company's Mission Statement.

Exciting times ahead

As always, the validation of our success lies in our ability to generate sustained competitive edge for our customers. We are known for our ability to be flexible, agile and to stretch the extra mile for our stakeholders. And perhaps this is what brings new enterprises to our doorstep. For even in the face of a downturn (or perhaps especially so!), more and more enterprises are talking to us to help them ride over these tough times. As we stand poised to face yet another new year, we have the quiet confidence of a company that has done it before – and will do it again. The mood in Sonata is upbeat and cheerful. And prepared.



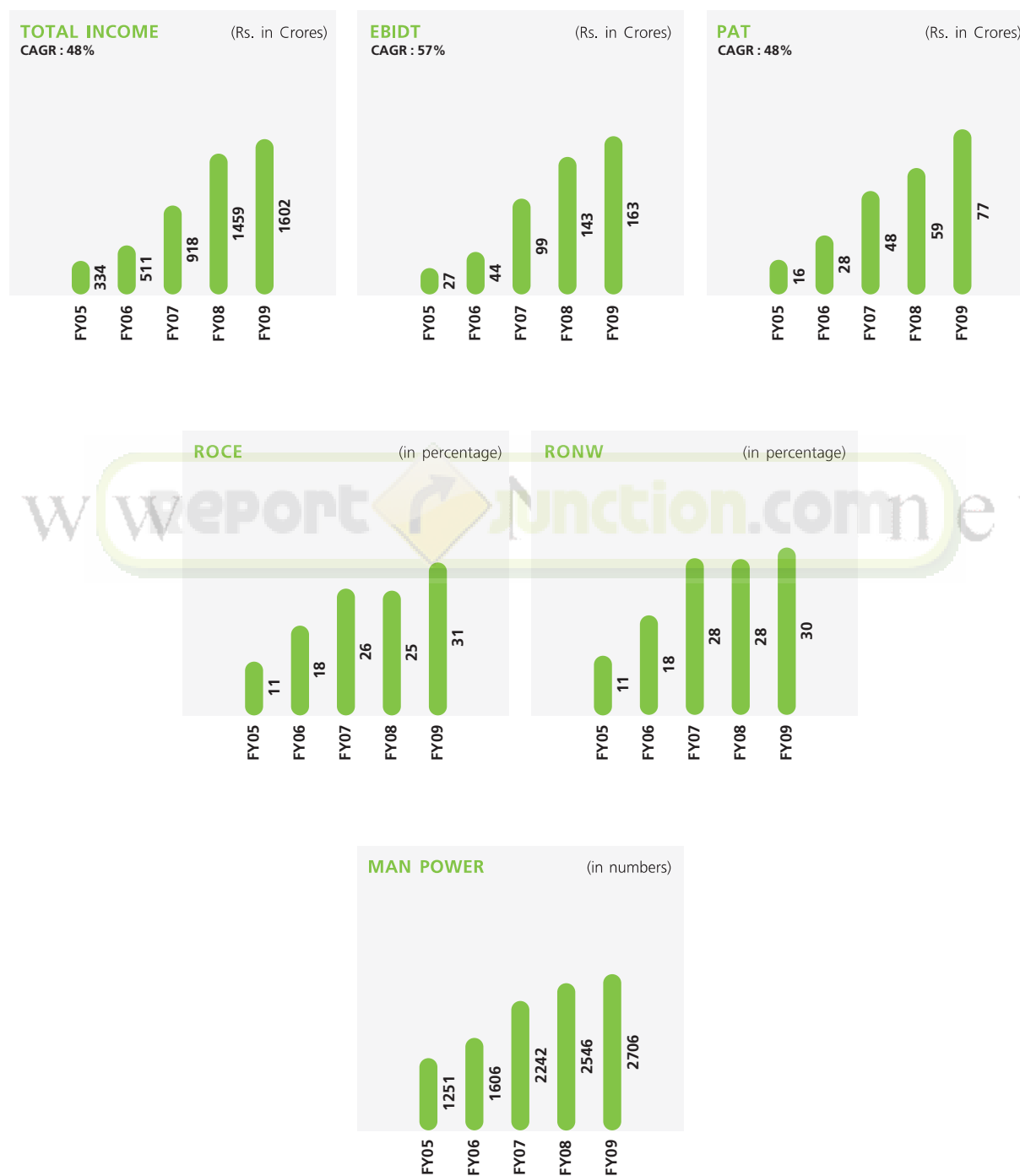
Sonata Software Ltd.
(Consolidated)

	Sonata Software Ltd. (Standalone)	TUI InfoTec GmbH	Offshore Digital Services Inc.	Sonata Software FZ - LLC	Sonata Software GmbH	Sonata Europe Ltd.	Sonata Information Technology Ltd.
Ownership	Holding Company	a JV between TUI AG with 50.1% ownership by Sonata	a 100% subsidiary	a 100% subsidiary	a 100% subsidiary	a 100% subsidiary and holding company for TUI InfoTec GmbH	a 100% subsidiary
Head Office	Bangalore (India)	Hannover (Germany)	Fremont (USA)	Dubai (Middle East)	Frankfurt (Germany)	London (UK)	Bangalore (India)
Services	IT Consulting & Software Services, Remote Infrastructure Management and provides Offshore Development Services worldwide.	Infrastructure Management (Europe) Software Services (Germany, Switzerland, Austria (DACS)).	Sales & Marketing, Account Management, Programme Management for some customers in the US.	Sales & Marketing, Account Management, Programme Management for customers in Middle East.	Programme Management for TUI InfoTec GmbH.	Provisioning of Software Development and Services.	Distribution of packaged software applications, IT Consulting and Software Services for the Indian market.

Sustained
Growth

Financial Highlights

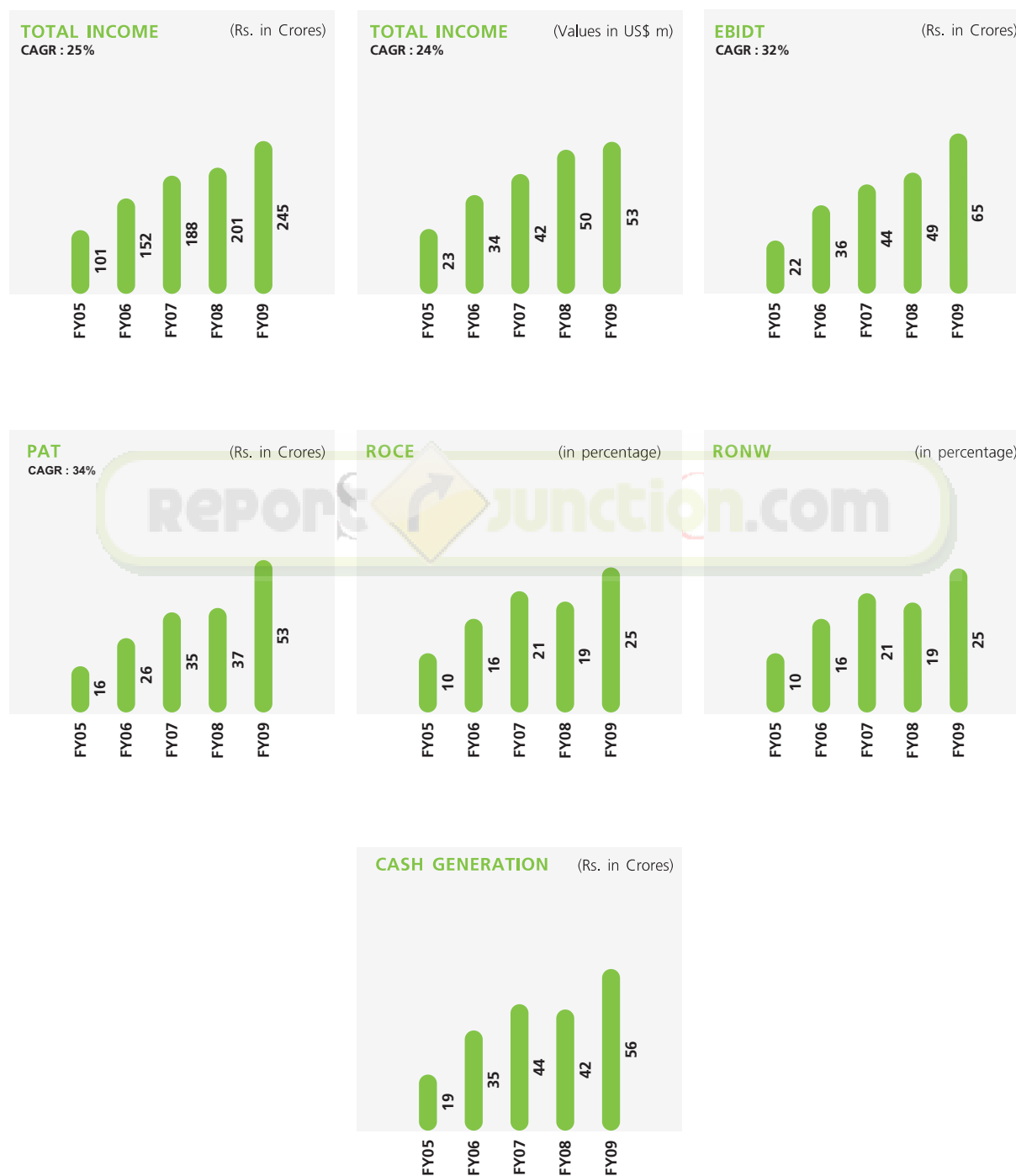
SONATA SOFTWARE LIMITED : CONSOLIDATED



Note : All figures depicted in the graphs have been rounded off.

Financial Highlights

SONATA SOFTWARE LIMITED : STANDALONE



Note : All figures depicted in the graphs have been rounded off.

Financial Highlights

TUI InfoTec GmbH: CONSOLIDATED



Note : All figures depicted in the graphs have been rounded off.



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