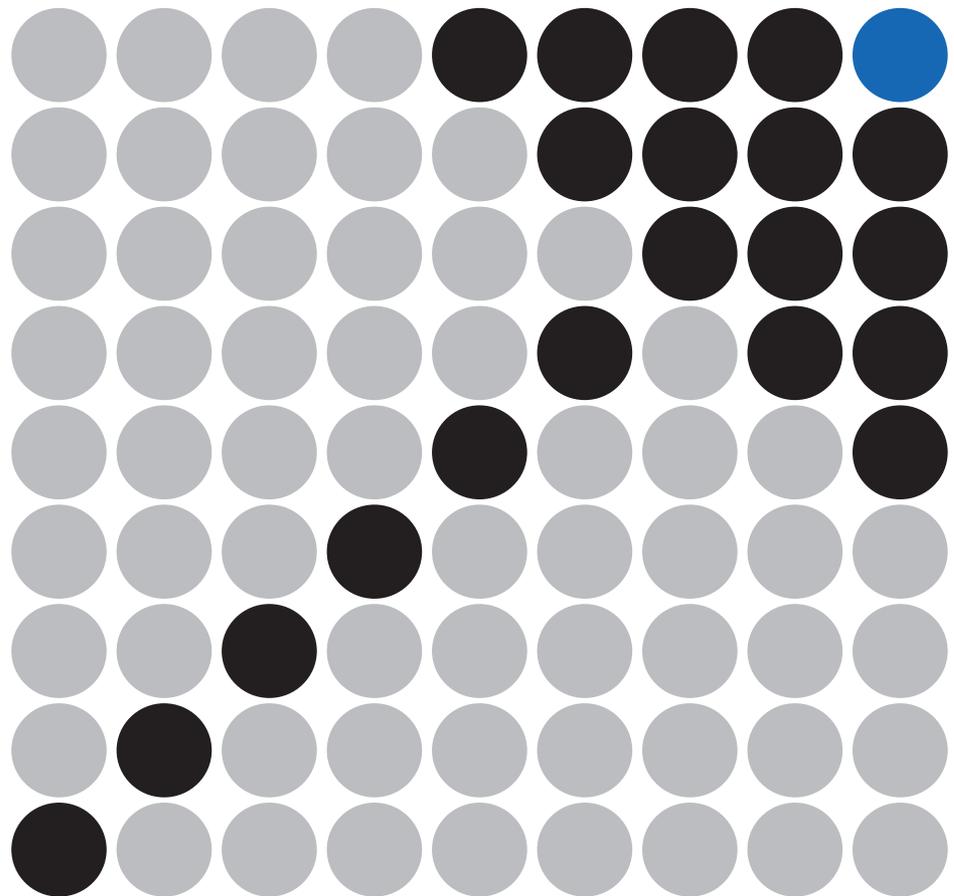


EMBRACING CHANGE



annual report 2009 - 2010

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 31.03.2010	Quarter ended on 31.03.2009	Quarter ended on 31.03.2010	Quarter ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009
TOTAL INCOME	3,264.76	3,709.23	626.97	590.47	13,932.91	16,021.19	2,413.74	2,446.30
EXPORTS	2,066.38	2,183.22	626.97	589.27	8,768.39	9,520.74	2,360.94	2,435.77
EBIDT	399.12	360.29	168.76	150.29	1,710.86	1,627.95	694.80	650.55
PROFIT AFTER TAX	187.83	172.23	157.86	128.73	798.74	765.68	602.03	533.59
FIXED ASSETS	1,846.95	1,909.91	316.19	272.36	1,846.95	1,909.91	316.19	272.36
TOTAL DEBT	299.37	33.75	-	-	299.37	33.75	-	-
NET WORTH - CLOSING	3,736.98	2,768.03	3,019.79	2,238.26	3,736.98	2,768.03	3,019.79	2,238.26
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 31.03.2010	Quarter ended on 31.03.2009	Quarter ended on 31.03.2010	Quarter ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009
EXPORTS INCOME/TOTAL INCOME	63.29%	58.86%	100.00%	99.80%	62.93%	59.43%	97.81%	99.57%
DOMESTIC INCOME/TOTAL INCOME	34.45%	40.45%	-	-	36.15%	39.89%	-	-
OTHER INCOME/TOTAL INCOME	2.26%	0.69%	-	0.20%	0.92%	0.68%	2.19%	0.43%
OPERATING EXPENSES / TOTAL INCOME	58.18%	53.19%	73.08%	71.93%	55.75%	53.25%	70.34%	72.29%
EBIDT/TOTAL INCOME	12.23%	9.71%	26.92%	25.45%	12.28%	10.16%	28.79%	26.59%
PAT/TOTAL INCOME	5.75%	4.64%	25.18%	21.80%	5.73%	4.78%	24.94%	21.81%
DEBT: EQUITY ¹	0.08	0.01	-	-	0.08	0.01	-	-
DEBTORS NO. OF DAYS	55	69	87	66	51	64	87	64
RETURN ON AVG NETWORTH ²	21.01%	25.22%	22.01%	23.14%	24.56%	30.28%	22.90%	25.23%
RETURN ON AVG CAPITAL EMPLOYED ³	21.88%	27.32%	22.01%	23.14%	25.32%	30.99%	22.90%	25.41%
EPS (Annualised) (on Re.1/per share) ⁴	7.14	6.55	6.00	4.90	7.60	7.28	5.72	5.07
BOOK VALUE PER SHARE -(Rs) ⁵	34.00	25.97	27.28	21.16	30.93	24.04	25.00	20.12

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).

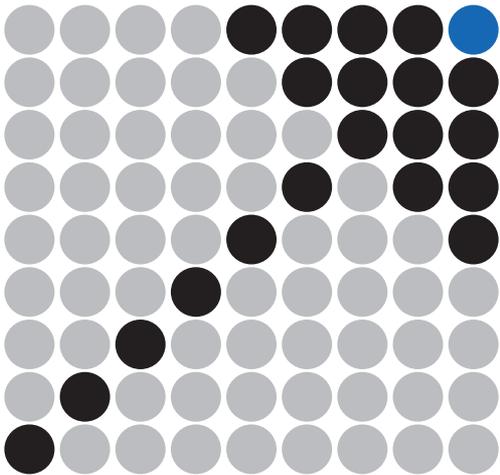
⁴ Profits divided by weighted average no. of equity shares.

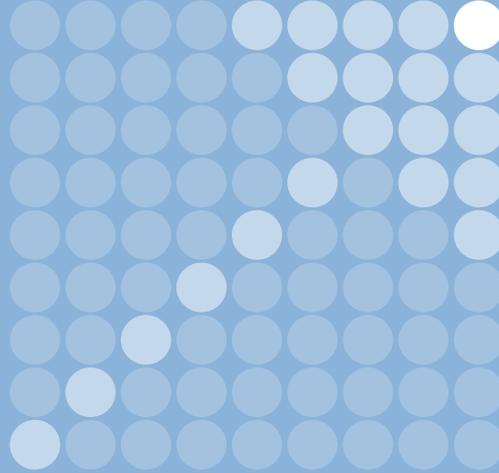
⁵ Average Network divided by No. of equity shares.

Embracing Change

The year 2009 - 2010 was clearly an extraordinary time for businesses around the world. It was a tough year by any measure, a year of incredible challenge and change. Several marketplace events during the past 12 to 18 months brought our industry to a critical inflection point. At a time when enterprises across the world were trying to make their IT budgets work harder, the demands of partners were severe. Emphasis was on maximizing the return on every dollar spent, which posed stiff challenges. At Sonata, we approached these industry changes as a sign of opportunity for our business. We moved early and fast to help our customers find new ways to lead, not merely stay afloat, in this changing environment. We transformed our business model, expanded our capabilities, enhanced our offerings, and invested in new and emerging growth areas to distinguish ourselves in our industry and optimize our business for continued profitable growth.

It is often said that in every challenge lies an opportunity waiting to be embraced. In today's world, the ability to change, to innovate and to surge ahead of the rest is what separates the better from the best. Over the years, Sonata has been able to prove its ability to embrace change, innovate and stand out in this highly competitive market. Our journey to excellence has been a hard-fought battle. We have successfully dealt with the challenges and obstacles that came our way as we evolved as an organization. Moving ahead, we remain intently focused on our customers and our other stakeholders so that we can continue to generate value for them while ensuring that we are well-positioned to take advantage of growth opportunities.





Responding to the Changing Needs

In the wake of the economic downturn, the customer landscape changed drastically. There was an increasing demand to do more with less. Throughout the year, we stayed close to our clients, adapting to their changing needs in areas such as cost management, operational excellence and customer retention. Our flexible engagement models helped our clients realize significant results and sustain growth in a challenging business environment. Our ability to innovate and execute has helped us develop enduring client relationships even in the face of uncertainties.

Maximizing Our Capabilities

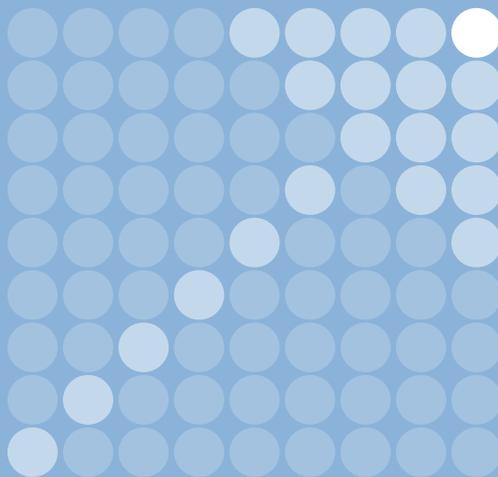
We believe in delivering innovation that can create growth opportunities for our stakeholders. We continuously upgrade our knowledge base, technology skills and resource capabilities so as to add significant business value to our clients, associates and employees. In a continually changing world, the business transformation needs of organizations are evolving continuously. Over the last year, we enhanced our domain and technology competencies to strike a balance between today's challenges and tomorrow's opportunities. We have also expanded our development facilities to significantly cater to our growth plans. We primarily focused on developing new technologies and solutions, which will have a major impact on the global technology landscape.

Strengthening Our Resources

Sonata is built and has grown on the strength of its people and high performance orientation that exists within the company. Delivering unique value to our customers, driving growth and managing our business efficiently have been the result of extraordinary teamwork demonstrated by Sonata employees worldwide. Led by an Executive Leadership team committed to drive sustainable growth and build long term value, we have been able to foster a dynamic and enriching environment. This, in turn, has motivated our employees to provide best-in-class services and develop innovative solutions to address some of our customers' most pressing business issues. The year saw us making significant investments in hiring specialists with deep industry knowledge in key verticals to respond instantaneously to our customers' changing requirements.

Fostering Growth

Growth is a challenge for any business, but never more so than during a downturn. That Sonata has been able to grow in such a climate is a testament to our strong foundation and our relentless focus on the customer. We have taken significant strategic steps that consolidated our leadership position in the mid-tier IT solutions provider category. We have worked on upgrading technology, re-training people, and re-orienting our processes and methodologies to solve problems that have the maximum impact on our customers' business. We have finally reached a juncture where opportunities are beckoning, and we need to ride the wave of accelerated growth and success!



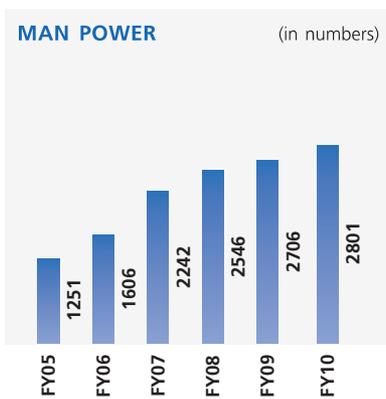
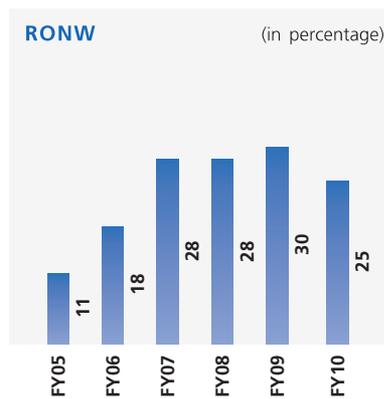
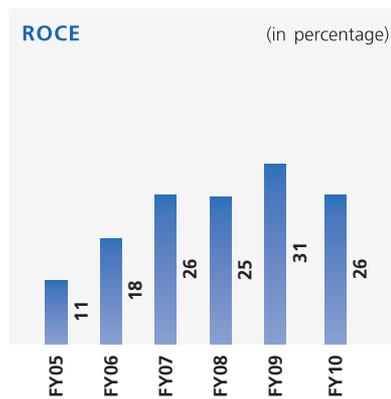
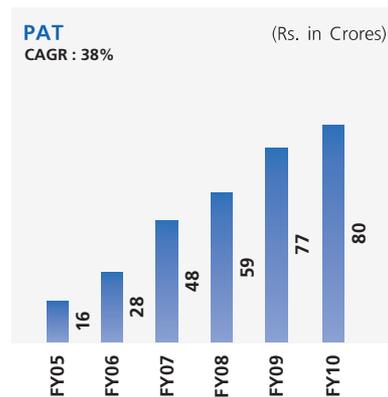
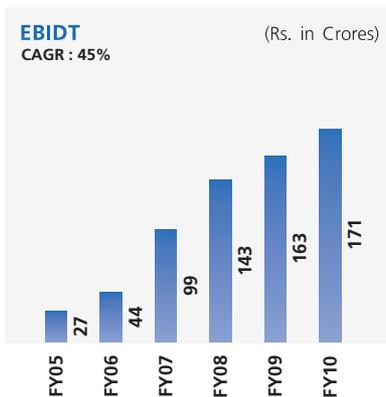
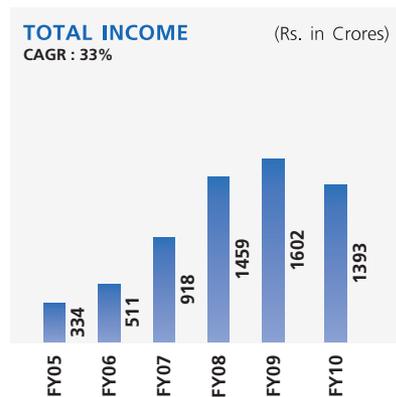
Sonata Software Limited (Consolidated)

Business Segment	International IT Services					Domestic Products & Services	TUI Infotec
Legal entity	Sonata Software Ltd India	Sonata Europe Ltd London	Sonata Software GmbH Germany	Sonata FZ LLC Dubai	Sonata Software North America	Sonata Information Technologies Ltd India	TUI Infotec GmbH Germany
Ownership Structure	Listed Indian entity	100% subsidiary of Sonata Software Ltd	100% subsidiary of Sonata Software Ltd	100% subsidiary of Sonata Software Ltd	100% subsidiary of Sonata Software Ltd	100% subsidiary of Sonata Software Ltd	50.1% Joint venture of Sonata Software Ltd and TUI Group
Nature of Business	<ul style="list-style-type: none"> • IT Consulting and Software Services • RIM • Offshore IT Software Development 	<ul style="list-style-type: none"> • Software Services, & Development 	<ul style="list-style-type: none"> • Program Management for TUI • Infrastructure Management 	<ul style="list-style-type: none"> • Sales & Marketing • Account Management • Program Management 	<ul style="list-style-type: none"> • Sales & Marketing • Account Management • Program Management • Onsite IT Services 	<ul style="list-style-type: none"> • Distribution of Packaged Software Products • Domestic IT Services 	<ul style="list-style-type: none"> • IT Operations and IT Services support for TUI Group of Companies and other customers in Germany



Financial Highlights

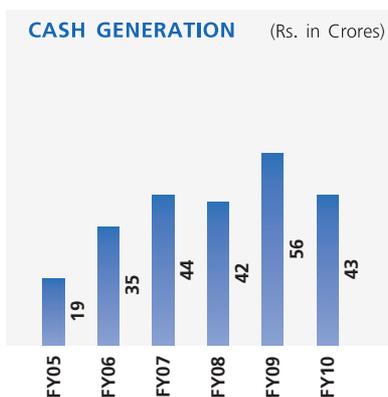
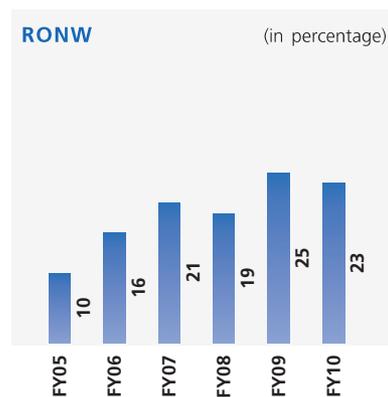
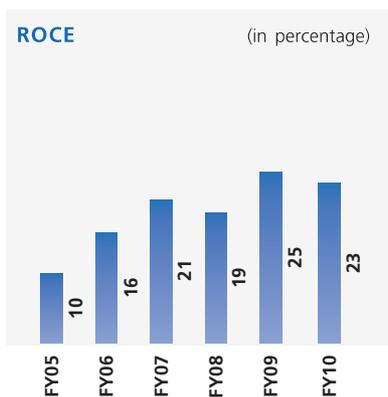
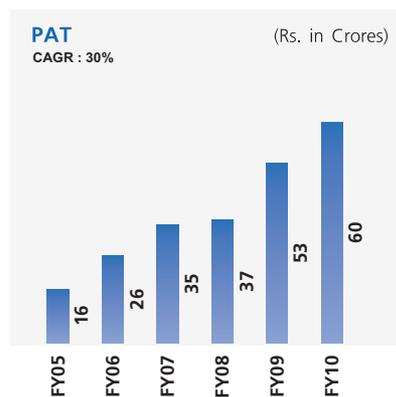
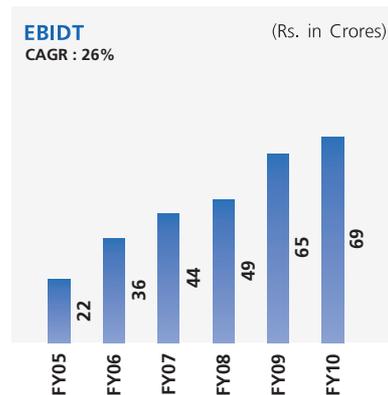
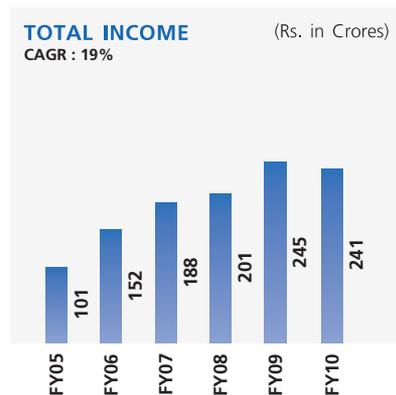
SONATA SOFTWARE LIMITED : CONSOLIDATED



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

Financial Highlights

SONATA SOFTWARE LIMITED : STANDALONE

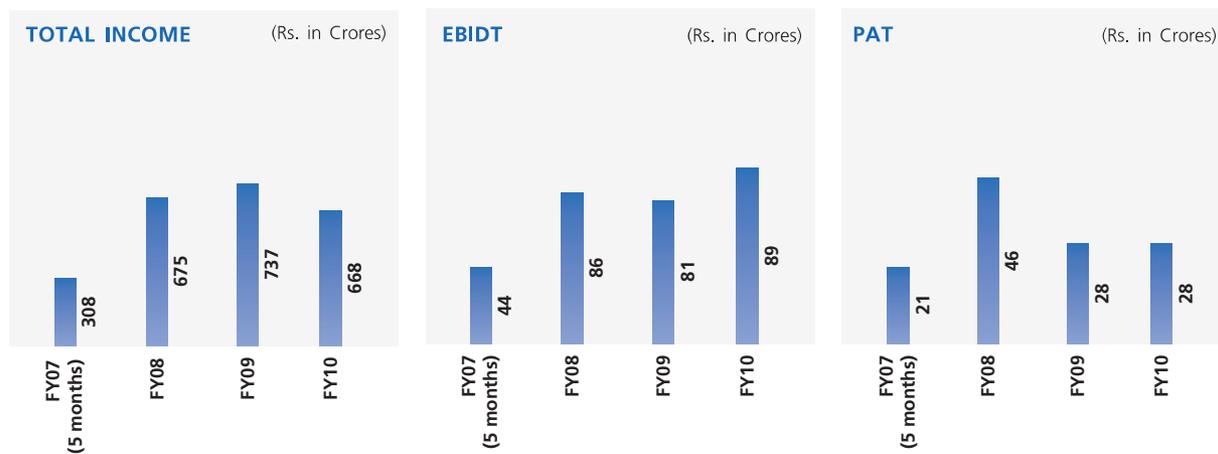


Note : All figures depicted in the graphs have been rounded off.



Financial Highlights

TUI InfoTec GmbH: CONSOLIDATED



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



Sonata Software Limited

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