

Depth makes the Difference.

Leveraging the strategic power of IT.
Enhancing stakeholders' value.

Across this report

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Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

From the developed to the developing socio-economic regions, lives are getting bettered at a rapid pace. The number of netizens (those using internet) today is far bigger than the number of citizens of the most populous country. From daily supply of milk to hourly weather updates to real-time wireless communication, IT is fast deepening its entrenchment in bettering our lives. Governments, corporations and not-for-profit institutions, all are deploying IT in sharpening their delivery mechanism and the end user experiences. The spectrum of its impact today, in quantum and precision, is way beyond what could have been imagined a few years ago.

Given the fast global spread of smartphones, online access of information is growing at an equally rapid pace. Riding the m-commerce platform, the customers of tomorrow would shop 24x7, from their homes, workplaces and even when on the move. Enterprise customers, hence, would need to proactively engage their

customers, incorporate their feedback and deploy useful insights in their business strategy and business model. IT decisions, a traditional bastion of the CIOs, would increasingly be influenced or taken by a larger pool of stakeholders including CMOs, CFOs and line-of-business Heads. Rightly then, enterprise customers today, in order to stay ahead of time as well as peers, expect IT to help them club foresight, innovation, precision and speed.

At Sonata Software, we have always leveraged our understanding of customers' business domain, our technology expertise and an unparalleled commitment to customers' success. Quite cognizant of the big opportunity that this change holds for our customers, we are going that extra mile in every sphere of our engagement in order to help them maximize ROI from their IT investments.

Depth
makes
the
Difference.

An underwater photograph showing a vertical white line running through the center of the frame. The water is a deep blue, and the surface is visible at the top with ripples and reflections of light. The overall mood is serene and focused.

Sharper
Focus.
Deeper
Insight.

Domain Knowledge

Technology's ability to reshape key business processes and at times the core business itself is well established. From how it is to how best it could be, Sonata's thinkers and innovators leverage technology to convert process challenges of today into business opportunities of tomorrow for our clients.

Our domain experts deep dive into customers' business universe, understand symbiotic relationships of the business ecosystem, spot gaps, shape technology-led solutions and help our customers seize the future opportunities. In our everyday working as well as continued capability building, the focus remains on innovating with technology to impact key business aspects such as customer engagement, enterprise efficiency and management of the cost of ownership of the very it solutions that drive them.

We are further sharpening our expertise in travel, retail and CPG (Consumer Packaged Goods) verticals in order to fortify our position as the vendor of choice. The accumulated knowledge and insight is also helping us strengthen our value proposition for allied verticals with similar business processes such as consumer financial services, manufacturing, supply chain and logistics.

A global F&B CPG behemoth decided to empower their sales team with superior work systems. Sonata's deep understanding of CPG and supply chain processes enabled it to provide a mobile-enabled Account Investment Plan and Performance Review Process for better demand generation. A real-time Account Deal Calendar with online Deal Approval streamlined sales operations. Integration with the ERP for end-to-end supply chain efficiencies lowered costs further. The delivered solution resulted in significant savings of sales time and overall costs courtesy the supply chain integration. The CIO went on to win a 'Best of Best' award internally!

“ This was a very challenging project and has taken considerable amount of effort and commitment. I would like to say "thank you" to the members of the Sonata team for the successful delivery. The team members displayed great dedication and commitment. ”

A Fortune 100 CPG Company

An underwater scene with a blue gradient background. A vertical white line runs down the center. Below the surface, there are bubbles and a gear icon. The text "Deeper Technology. Smarter Solutions." is written in a light blue, sans-serif font, with the gear icon replacing the letter 'i' in "Solutions".

Deeper Technology. Smarter Solutions.

Technology Expertise

Sonata's longstanding and ever-expanding alliances with the world's leading technology solution companies are aimed at enabling them and enterprise customers derive maximum value from the most relevant technology trends.

Having successfully partnered many a product engineering and early adoption initiatives for leading software vendors over recent years, we have assimilated deeper expertise with precise understanding on critical aspects such as technology, architecture, integration, assurance and scalability. All this enables Sonata in deploying cutting edge technologies and in delivering customized accelerators and frameworks that bring innovation, reliability and faster time to market to its customers.

Sonata partnered a global software major as it made an entry into the ERP market and established itself to be a significant player in the segment. In a relationship spanning a decade, Sonata's deep knowledge of ERP solutions and focus domains of application, along with its commitment to a 360 degree partnership across value added engineering, early adoption, implementation, go to market and support services, have made it a valuable partner to the customer and their eco-system in making the product a success.

“ Sonata has been a key partner in our commitment to provide best-of-breed 'People Ready' solutions to our customers. Sonata's deep domain knowledge and technical skills help us ensure accelerated development cycles, improved time-to-market and increased competitive agility ”

Global Software Major



**Pro-active
engagement.
Measurable
Impact+.**

Customer Commitment

The ambit of the desired IT partner has fast transcended delivery excellence. The technology, customer offerings, market competition and consumer behavior all keep evolving at a rapid pace all the time. IT partners need to align solutions to customers' evolving business needs while staying the course with strategic solutions from a long-term perspective.

Sonata's customer-specific Center of Excellence (CoE) model endeavors to deliver enhanced value to every customer, in every project. Each CoE brings with it the requisite technology pool, people skills, solution assets and best practices and processes; offering superior customer focus, deeper collaboration and innovation, thereby enhancing the impact on pre-defined client objectives. With a mindset to co-create value, deep involvement of our leadership teams and intrinsic impactful governance, our CoEs play a pivotal role in strengthening our customer relations many of which have prospered for well over a decade and counting. Not surprising then, Sonata is delivering sustained value to its customers around the globe.

Sonata was a partner of choice for a world leader in Travel for well over a decade and helped the client in staying ahead of the digital shift that reshaped competition in travel industry. In a recent initiative, Sonata enabled the firm to move to an omni-channel commerce platform, integrating retail and web businesses, offering a single view of the customer, along with superior package search, personalization and yield management solutions. The business objective of enhanced web sales growth, higher click-to-brick revenue-mix and profit improvement were achieved. Sonata's ability to absorb a new technology and deliver results at scale under-pinned success.

“ Overall performance is excellent. Flexibility to adapt to challenging situations has been very good. Recent events have resulted in changing project priorities at very short notice and the offshore team has adapted to these requests very well ”

A Fortune 100 travel company

Business Highlights

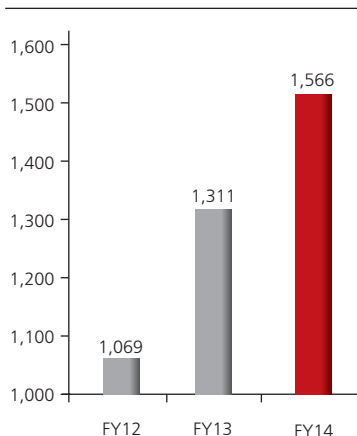
Financial Highlights

Consolidated

| Key Financials (₹ crores) | FY14 | FY13* | FY12* |
|---------------------------|-------|-------|-------|
| Net Sales | 1,566 | 1,311 | 1,069 |
| EBITDA | 110 | 57 | 35 |
| PAT | 78 | 30 | 11 |
| Net Worth | 374 | 342 | 375 |
| Debt | 6 | 17 | 41 |
| Debtors | 208 | 141 | 113 |
| Cash | 245 | 157 | 120 |
| Per Share Ratio, ₹ | | | |
| EPS | 7.4 | 2.9 | 1.0 |
| DPS | 3.7 | 1.7 | 0.7 |
| BVPS | 35.6 | 32.5 | 35.6 |
| Margin Ratios (%) | | | |
| EBITDA Margin | 7.0 | 4.3 | 3.3 |
| Net Profit Margin | 5.0 | 2.3 | 1.0 |
| RoE | 21.8 | 8.4 | 2.8 |
| RoCE | 21.8 | 9.3 | 4.0 |

* FY 12 & 13 re-casted numbers are for continuing operations excluding results of TUI InfoTec GmbH

Net Sales, ₹ crores



EBITDA and EBITDA Margin

